

# Creating opportunities

2017/18 ANNUAL REPORT

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2017/18 Consolidated financial statements

*Source for all data is Mount Royal University's Institutional Analysis unit or the Institutional Planning and Assessment unit unless otherwise stated. Data is from July 1, 2017 to June 30, 2018, which is referenced as the 2017/18 year.*

# Creating opportunities

In 2017/18, we advanced the goals and priorities of our Comprehensive Institutional Plan across a range of programs and services, creating opportunities for students by:

- reallocating seats from non-credentialed access programs to degree programs where student demand is highest, and adding about 5,000 seats to the course inventory to remove bottlenecks
- expanding programs available to support students' academic and mental health needs from first year through graduation, and broadening access to high-impact learning experiences, such as community service learning, studying abroad and work terms
- increasing the retention rates of Indigenous students to equal that of non-Indigenous students, and recruitment efforts and campus supports for international students
- opening state-of-the-art learning spaces in the new Riddell Library and Learning Centre and earning the prestigious changemaker campus designation from Ashoka U, both of which help put students on the forefront of innovation

- advancing submissions for new programs, to increase the number of degree programs and majors, and continuing to be a leader in the Campus Alberta system for depth and breadth of transfer agreements available

In these and other ways, Mount Royal is creating opportunities for students and ensuring their satisfaction with their overall educational experience remains high, which is at 92% among fourth-year students compared with 80% at other mid-sized undergraduate institutions.

# Vision

Mount Royal University: an exceptional undergraduate educational experience

# Mission

Since 1910, Mount Royal has built a reputation on a strong, liberal education foundation with an undergraduate focus. More than a century later, we remain responsive to the needs of our community through our enduring commitment to this legacy. We are a community of engaged citizens, providing personalized, experiential and outcome-based learning in an environment of inclusion, diversity and respect. Through our focus on teaching and learning informed by scholarship, we are preparing our graduates for success in their careers and lives.

*Mount Royal University is located in the traditional territories of the Niitsitapi (Blackfoot) and the people of Treaty 7, which includes the Siksika, the Piikani, the Kainai, the Tsuut'ina and the Îyârhe Nakoda. We are situated on land where the Bow River meets the Elbow River. The traditional Blackfoot name of this place is "Mohkinstsis," which we now call the City of Calgary. The City of Calgary is also home to the Métis Nation.*

# Mandate statement

Mount Royal University is a public, board-governed institution operating as a Baccalaureate and Applied Studies Institution under the authority of the *Post-secondary Learning Act* of Alberta. Mount Royal was named a university by an Order in Council on 2 September 2009 and is governed by the *Post-secondary Learning Act*.

Mount Royal University is a learning community that focuses on instruction informed by scholarship. Its mission is excellence in baccalaureate and applied degrees along with certificate and diploma programs. Mount Royal's programs prepare students to be thoughtful and informed citizens by combining liberal and applied studies and by providing graduates with opportunities for individual fulfillment, further study and employment.

Mount Royal offers programs in arts and science, nursing and health, business, communications, community studies, design, education, performing arts and aboriginal\* studies that lead to the following credentials and further studies:

- baccalaureate degrees and transfer programs to prepare learners for further study and employment
- applied degrees to prepare learners for employment
- certificate and diploma programs to prepare learners for employment and lead to further studies and credentials
- post-secondary entrance programs that facilitate learner access to further studies

Mount Royal University plays a pivotal role in the Campus Alberta system. It is both a sending and a receiving institution for students transferring to and from other institutions. The University also develops collaborative degree partnerships with other Alberta institutions.

Mount Royal supports scholarly activity that contributes to instructional excellence and to the cultural, social and economic well-being of the community locally, provincially, nationally and internationally.

Mount Royal students are supported by a range of services that contribute to academic, social and personal development. Student supports include library services, academic advising, learning skills development, cultural activities, career services, residence services, counselling, recreation and wellness programs. These services are designed to benefit students by increasing their opportunities for success.

Mount Royal's primary service area includes Calgary and the surrounding region. Mount Royal also serves a wider learner population provincially, nationally and internationally through face-to-face and distance delivery and through partnerships with other post-secondary institutions. Mount Royal serves its communities by creating and communicating knowledge and by meeting the needs of the labour market in fields related to its program areas.

Mount Royal University also serves its communities by providing contract training, professional development, international programming and, through its internationally recognized conservatory, music instruction particularly for younger people. Through these programs, Mount Royal enhances its commitment to continuous, lifelong learning and to global awareness in an interconnected world.

*Approved by the Board of Governors, February 1, 2010*

*Approved by the Minister of Advanced Education and Technology, February 24, 2010*

\* *Indigenous*

# Message from the Board chair



The mandate of the Board of Governors is to ensure sound strategies, leadership and processes are in place for the University to fulfill its vision of providing a premier undergraduate educational experience. Our priorities are overseeing execution of the University's strategic plan, providing best governance practices, monitoring the sustainability of the University, and safeguarding Mount Royal's brand and reputation.

Several new members joined the Board in 2017/18, and their engagement in the University's strategic direction and their contributions to committee work were significant. Together, we supported University leadership in creating opportunities for students and advancing key priorities by continuing to:

- meet demand among Alberta learners, by increasing program offerings and expanding services to support students' academic and mental health needs
- enable timely degree completion, by adding seats to the 2017/18 course inventory to remove points of congestion that have impeded students' progression
- support the indigenization strategy to attain a retention rate among Indigenous students that is on par with other students, and to engage Faculties in robust discussions about the indigenization of curriculum
- fundraise with intention, to increase the total funding dedicated to student awards and the percentage of students who receive them
- increase international enrolment, by forming new international partnerships, stepping up recruitment efforts and expanding supports on campus for international students

A challenge for the University has been the continued tuition freeze and ongoing efforts to arrive at a longer-term funding arrangement, while also reducing costs and increasing revenue-generating programs and services to sustain Mount Royal's long-term financial health. The University welcomed the government's increase to its Campus Alberta grant in spring 2018.

In December 2017, the Board of Governors and the Mount Royal Staff Association ratified a new Collective Agreement effective July 1, 2017 to June 30, 2019, thus providing stability for the University and its valued non-academic staff. During 2017/18, negotiations commenced with the Mount Royal Faculty Association and are ongoing.

Looking ahead to 2018/19, an important initiative for the Board of Governors will be the search for a new president of the University. With David Docherty's term as president coming to an end in spring 2019, the Board launched a nationwide search for his replacement. A presidential search committee has engaged an external search firm to assist with this work. I and the other members of this committee will make a recommendation to the Board when the ideal candidate is found.

As volunteer members of the Board, we are supporters of post-secondary education in general, and of Mount Royal in particular. It has been my pleasure to lead the Board through another successful year.

[Original signed by]

Susan Mallon

Chair, Board of Governors

# Message from the president



There is no better way to conclude an academic year than Convocation. We ended 2017/18 by celebrating the success of our largest cohort of 1,850 graduates. We did this by providing an exceptional undergraduate educational experience all year. Students tell us we are on track: their satisfaction with their overall educational experience at Mount Royal remains high at 92% among fourth-year students, compared with 80% at other mid-sized undergraduate universities.

Still, we know bottlenecks in accessing key courses have delayed timely degree completion for some. Hard work was done here by adding about 5,000 seats to the course inventory last year and reallocating seats from non-credentialed access programs to degree programs, where student demand is highest. Indeed, the proportion of students pursuing a bachelor's degree rose from 49% in 2011 to 75% last year.

Early in 2017/18, Mount Royal received the changemaker campus designation by Ashoka U, joining an elite group of only 50 such universities worldwide. It commits us to forging strong links between our students, our campus and the wider community to incubate creative problem-solvers and interdisciplinary thinkers who will tackle increasingly complex social and environmental challenges.

Key to receiving the Ashoka designation was progress on indigenization, in physical spaces and symbols, ceremonies and events, rising enrolment among Indigenous students, retention rates that equalled those of non-Indigenous students, and in course curricula, the area of greatest growth going forward.

With the official opening of the Riddell Library and Learning Centre, a new intellectual hub was created, showcasing how people, technology and information converge and interact in the 21st century, and providing nearly triple the capacity of the old library.

We continued to prioritize the well-being of the campus community and a diverse, inclusive and respectful culture. New programs in mental health literacy and skill-building were offered to employees and students, along with training in responding to an opioid overdose. Students helped us develop a process to support victims of violence and to increase education around consent.

Through extensive cross-campus consultation, we got closer to a longer-term budget planning model that widens our lens on resource management to ensure we support our key growth priorities and academic possibilities as we manage day-to-day operations.

Overall, in 2017/18, Mount Royal remained flexible in responding to the changing needs of Alberta learners, creating opportunities for students to enter the workforce, contribute within communities or move on to graduate school. Next spring, my term as president will end. It has been an honour to serve Mount Royal: I am the better person and educator for it. I leave extremely optimistic about the possibilities ahead for the University.

[Original signed by]

David Docherty, PhD

*President, Mount Royal University*

# Accountability statement

Mount Royal University's annual report for the year ended June 30, 2018 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by]

Susan Mallon  
*Chair, Board of Governors*  
December 17, 2018

# Management's responsibility for reporting

Mount Royal University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the annual report, including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The annual report has been developed under the oversight of the institution's Finance Committee and approved by the Board of Governors. It is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*.

The Auditor General of Alberta, the institution's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of the consolidated financial statements, which are prepared in accordance with Canadian public sector accounting standards.

[Original signed by]

David Docherty, PhD  
*President, Mount Royal University*

[Original signed by]

Annalise Van Ham, CPA, CGA  
*Vice-President, Finance and Administration, Mount Royal University*  
December 17, 2018

# Governance

## Mandate

The Board provides oversight and guidance to the University to ensure it has the right strategies, talent and processes aligned with its vision and mission to create sustainable value to all stakeholders. The Board monitors performance to ensure the necessary steps are being taken by the University to achieve the goals outlined in the strategic plan.

## Priorities

- Oversee the execution of the Strategic Plan
- Ensure effective leadership begins at the top, with the best governance practices
- Monitor the sustainability of the University
- Build Mount Royal University's brand and protect its reputation

## Members of the Board of Governors

(Current as of Dec. 17, 2018)



Susan Mallon, *Chair*



Paul Kundan, *Vice-Chair*



David Clemis



Tracee Collins



David Docherty, *President*



Corinne Jamieson



Jen Magnus



Andrew Nguyen



Donna Palmer



Shannon Ryhorchuk



Keri Smith



Whitney Smithers



Michèle Stanners



Susan Swan

# Operational overview

This operational overview highlights progress in priority initiatives and overall operations during 2017/18 that differed materially from projections in the Comprehensive Institutional Plan (CIP). Progress was made in all 18 priority initiatives last year.

At the beginning of the CIP reporting period, it was projected that Mount Royal would achieve a target of 9,641 full-load equivalent (FLE) students for 2017/18. The University exceeded that target, finishing the 2017/18 academic year with 9,809 FLE, a 2.9% increase over the previous year and a 1.7% positive variance between actuals and projections. This is aligned with the institution's objective to increase access for Alberta learners. Increased seat availability in required courses was the primary strategy used to increase student retention and overall FLE in the 2017/18 academic year, with capacity increased by about 5,000 seats across these courses.

## The effect of market conditions

At the non-credential level, there is a minor negative variance overall, which is entirely attributable to Academic Upgrading and English as a Second Language. The projections for both of these programs are developed by the Faculty of Continuing Education and Extension and are typically based on the actual FLE produced by the programs in the previous academic year. The negative variance between 2017/18 projections and actuals arose from market conditions that have been less favourable for non-credit programming in the Calgary region. Net contributions of Continuing Education and Extension offerings, including corporate training, have not recovered from pre-2014 levels, resulting in a strategic focus to realign Continuing Education and Extension offerings to meet the needs of the community and to return to previous financial contributions.

Positive effects of a consolidation of program offerings in Continuing Education and Extension and the increased uptake in the community for the Taylor Centre for the Performing Arts and other event offerings through the University's Event and Theatre Services area were realized. This activity continues to grow as the University capitalizes on its exceptional facilities to serve the needs of a variety of groups and activities and as the Business and Retail Services group refreshes its service delivery model under its long-term plan to best meet the needs of the student population and the surrounding community.

Contributing to the lower than budgeted results are declines in previously anticipated corporate and custom training programs as the economic environment continues to recover. Lower facility rentals and registration for Recreation offerings also contributed to the under-budgeted revenue achieved. Student residence revenue falling 7% below budget was attributed to increased vacancy rates for accommodation in Calgary.

## Programming and student services

Significant progress was made on submissions for new programs, as described in the Enrolment Plan on page 36. In 2017/18, following the appointment of a new Provost and Vice-President, Academic, Mount Royal significantly revised the institutional program prioritization, development and approval process. The new process is intended to improve the prioritization of academic programs as well as the quality and consistency of submissions to the Ministry of Advanced Education.

Graduation rates increased. The six-year Fall 2011 cohort rate was 65.4%, compared with 62.8% for the Fall 2010 cohort. Further increases are anticipated, with more students pursuing baccalaureate programs, increased seat availability in core courses for current students and numerous student success initiatives being delivered across the University.

A comprehensive framework was developed to analyze cohort graduation rates, along with visualization toolsets for retention, progression, graduation and time to completion. Industry standard four- and six-year graduation rates will be used to measure Mount Royal students' time to completion in relation to comparable institutions. Comparative analyses can now be conducted at the program and specialization levels.

In the 2017/18 academic year, 7.7% of courses experienced higher drop/fail/withdraw (DFW) rates, compared with 6.6% in 2016/17 and 7.0% in 2015/16. The Academic Development Centre continues to focus on high-impact teaching practices intended to increase success rates for students in traditionally difficult courses. Additional campus-wide services were provided to students requiring increased academic supports. As well, a number of additional student mental health initiatives were introduced on campus.

Concerning the Indigenous student recruitment plan, an Indigenous Recruitment Officer enabled the Student Recruitment department to significantly increase the University's presence in both urban and rural Indigenous communities and events. Indigenous degree applications increased by 10.9% to 649 in 2017/18 from 585 in 2016/17. Funding to expand the Indigenous Family Housing Program has not yet been secured, but it is hoped this will be achieved by the June 2019 target. Significant progress was made towards implementing the Indigenous Strategic Plan 2016–21, as described under Initiatives for Indigenous Learners on page 45.

International opportunities for domestic students increased in all measures. The establishment of international student quotas by program by October 2018 was proposed in the 2017 CIP. Discussions were initiated and a decision on whether quotas will be established is targeted for September 2019. International student enrolment in credit programs did not increase to 3% as projected in the CIP but was 1.9%, consistent with the previous year. Progress towards the long-term goal of 5% international student enrolment in credit programs by 2025 is expected, owing to increased recruitment efforts.

Mount Royal's total endowment dedicated to student awards increased from \$32.5 million to \$34.6 million over the past year. The number of students receiving student awards increased in the past year from 17.2% to 17.6%; however, the dollar value of student awards decreased from \$3.8 million to \$3.5 million, due in part to the non-renewal of a number of annual corporate-sponsored awards.

Completion of the University's strategic technology plan, and information technology and data governance frameworks, is dependent on finalization of divisional strategic plans to provide necessary technology investment and operations guidance, and is now planned for the end of the 2018/19 fiscal year.

### **Financial health indicators and capital plan**

A three-year balanced budget plan, including budgeted appropriations for strategic initiatives, was approved in May 2018. Specific reserve funds to ensure sustainability, quality and continuity of delivery in programs and services are still required.

The ongoing commitment by the provincial government to provide stable grant funding for post-secondary education provides much-needed support to the University's operations. The Alberta economy continues its recovery and the year-over-year Consumer Price Index (CPI) reported for June 2018 at 2.8% is the largest year-over-year increase since February 2012. Cost escalation for delivery of education continued to exceed provincial CPI and the 2% increment provided on Mount Royal's Campus Alberta Grant. The revenue and expense trends for the University reflect these increasing financial pressures.

Mount Royal, consistent with most post-secondary institutions, expends the majority (69%) of its operating budget on personnel. The University's operating costs exceeded increases provided through government and tuition revenue. Ancillary and commercial services previously relied upon to provide net financial contributions to support delivery of instruction and related services continued to be impaired by economic conditions and muted demand. In particular, demand for credit-free offerings remained below long-term trends and budgeted levels. Adjusting to this environment of constrained revenue growth, the University is reducing financial pressure through sustainable

initiatives to increase physical plant efficiencies and ensure operational efficiencies, while advancing the academic mission and retaining quality student services. In 2017/18, consideration of alternate program and service offerings, modified resource allocation methodologies and streamlining of internal services were priority initiatives to improve the University's resiliency.

The annual asset (deficit) position reflected annual operating revenues less expenses, including spending on internally restricted fund activities that were not captured in the budget. Internally restricted fund activities are focused on strategic initiatives, investment needed for revenue generating facilities and units, and capital investments. The annual budget is established to generate sufficient surplus to fund these strategic and investment needs. The University's net operating position was reduced from prior years, but at the close of 2017/18 was at its lowest position in the past five years. The University continues its focus on cost containment, revitalization of credit-free and commercial offerings, and enrolment growth to improve this trend.

The state-of-the-art Riddell Library and Learning Centre opened in September 2017 and has been a critical enhancement to the student learning experience. Mount Royal continues to seek funding to renovate the old Library space to ensure effective use of existing infrastructure to meet strategic priorities for the future. By completing this much-needed internal repurposing of space, the University will build a net supplemental capacity to accommodate up to 1,250 additional FLE. This repurposed space will require no additional operating funding (lights-on funding) to support the ongoing operations for the space as those funds already exist within base operating grants. Refer to the Capital Plan on page 50 for more information.

### **Student success and satisfaction measures**

Mount Royal achieved a significantly higher student satisfaction rating than like universities. Among fourth-year students, 92% rated their overall educational experience as excellent or good, compared with 80% at Canadian comparator institutions. Mount Royal graduating students were more likely to agree they feel as if they belong at their university (88%) than were students at comparator institutions (80%).

A 29% increase was achieved in the number of students completing experiential learning opportunities through work terms and co-operative education, with 630 students participating in 2017/18 compared with 487 the previous year. A 5.6% increase was seen in the number of students earning a community service learning citation on their official transcripts, from 396 students in 2016/17 to 418 students.

## Goals, priority initiatives, expected outcomes and performance measures

Goal	
<b>G 1</b>	<b>Accessibility</b>

Priority initiative					
PI 1	Grow to meet the demands of Alberta learners				
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Enrolment growth and additional capacity to address higher demand for post-secondary access in the Calgary region	June 2019	Target achieved	At the beginning of the Comprehensive Institutional Plan (CIP) reporting period, it was projected that Mount Royal would achieve a target of 9,641 full-load equivalent (FLE) for 2017/18. The University exceeded that target, finishing the 2017/18 academic year with 9,809 FLE. Mount Royal will continue to focus on meeting the demands of Alberta learners in the coming academic year through various growth initiatives.	N/A
EO 2	Expansion of programming to meet learner and market demands	June 2019	In progress	Mount Royal's new program prioritization and approval processes were redesigned in 2017/18. The institution continues to seek opportunities for program expansion to meet students' needs and demands. Significant progress was made on submissions for new programs, as described in the Enrolment Plan on page 36.	N/A
EO 3	Implementation of a new branding concept to communicate our four brand pillars to potential applicants and the wider community	June 2019	Achieved	A new, multi-year campaign, "You Belong Here," was launched in the previous year, aimed at increasing applicants in target areas and, more broadly, to advance the University's brand and reputation among key audiences.	N/A

Performance measures		
PM 1	Increase in number of qualified applicants	Qualified applicants increased by 0.9% from 10,849 in 2016/17 to 10,945 in 2017/18.
PM 2	Increase in admission quotas	Admission quotas have remained stable for the past three years. Mount Royal has instead focused on growth through the reallocation of seats from non-credentialed access programs to degree programs, where student demand is the highest. Increased seat availability in required courses was the primary strategy used to increase student retention and overall FLE in the 2017/18 academic year.
PM 3	Increase in number of FLE students	FLE increased by 2.9% year-over-year from 9,534 in the 2016/17 academic year to 9,809 in the 2017/18 academic year.
PM 4	Increase in intake of transfer students for degree completion	Upon consideration, the transfer student intake measure was changed to intake of direct-from-high school students. The number of direct-from-high school students entering degree programs increased by 3.5% from 2,093 in 2016/17 to 2,167 in 2017/18.
PM 5	Increase in number of degree programs and major offerings	The BSc Chemistry major was approved in 2017/18 for implementation July 1, 2018. The University's CIP was significantly streamlined to enable focus on the highest priority new programs. Work was initiated on letters of intent, Part A or Part B submissions in the following areas: Bachelor of Social Work, Bachelor of Business Administration (International Business, Supply Chain and Finance), Bachelor of Science (Computer Science and Biology) and Bachelor of Arts (Business Economics).
PM 6	Increase in number of post-baccalaureate certificates and diplomas	There was no change in the number of post-baccalaureate certificates and diplomas offered last year.

Priority initiative					
PI 2		Remove barriers to timely degree completion			
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	More effective monitoring of currently enrolled students to determine if pace is meeting intentions for completion	June 2018	Achieved	A comprehensive framework was developed to analyze cohort graduation rates, along with visualization toolsets for retention, progression, graduation and time to completion. Industry standard four- and six-year graduation rates will be used to measure Mount Royal students' time to completion in relation to comparable institutions. Comparative analyses can now be conducted at the program and specialization levels.	N/A

## G 1 Accessibility

EO 2	Continued expansion of the First-year Registration Assistance Program	September 2018	Achieved	The First-year Registration Assistance program was rolled out to all faculties. The program is paired with the New Student Registration event, which ran for the second time in 2017/18 and was attended by 830 students and 600 parents. Applicant yield and course registrations per head were increased again for students participating in the event when compared with non-participants.	N/A
EO 3	Growth of Mount Royal's endowment fund to support student scholarships and bursaries	June 2019	Ongoing	Mount Royal's total endowment dedicated to student awards increased from \$32.5 million to \$34.6 million over the past year.	N/A
EO 4	Improvement in student access to specific courses and alternative delivery methods including year-round delivery	June 2019	This stage complete	Significant efforts were undertaken with faculties in the Fall 2017 and Winter 2018 terms to address course availability for students, particularly in bottlenecked courses. Approximately 5,000 seats were added to 2017/18 course inventory. Historical and predictive data, along with consultation with deans and chairs, were used to identify course candidates for delivery.	N/A
EO 5	Maximization of course transferability across Mount Royal	June 2019	Ongoing	Mount Royal continued to be a leader in the Campus Alberta system for depth and breadth of transfer agreements available through the Alberta Council for Admissions and Transfer (ACAT). The University also participated in an ACAT-sponsored research project on transfer, mobility and associated outcomes. A review of course transferability and co-listing is completed annually for collaborative degrees. Efforts to enhance credit transfer for Indigenous students who have prior course credits at Alberta tribal colleges and to improve the credit transfer/recognition process for Mount Royal students studying in international exchanges continued.	N/A
EO 6	Continuation of course redesign projects for high DFW (drop/fail/withdraw) multi-section courses	Ongoing	Ongoing	The Academic Development Centre (ADC) continues to offer course redesign support to academic programs and individual faculty members.	N/A

### Performance measures

PM 1	Increase in funding for, and number of, student awards	The number of students receiving student awards increased in the past year from 17.2% to 17.6%. The dollar value of student awards decreased from \$3.8 million to \$3.5 million over the past year, due in large part to the non-renewal of a number of corporate-sponsored awards.
PM 2	Increase in number of students gaining admission into their first-choice program of study	Among first-year degree students, 80% said they were attending Mount Royal as their first-choice institution. (Source: Canadian University Survey Consortium (CUSC) 2016 Survey of First-Year Students) Currently this is our closest appropriate measure.
PM 3	Increase in the five-year graduation rate	Graduation rates are typically benchmarked as a six-year rate. The six-year Fall 2011 cohort rate was 65.4%, compared with 62.8% for the Fall 2010 cohort.

PM 4	Reduction in number of courses with high DFWs	In the 2017/18 academic year, 7.7% of courses experienced high DFW rates, compared with 6.6% in 2016/17 and 7.0% in 2015/16. The ADC continues to focus on high-impact teaching practices intended to increase success rates for students in traditionally difficult courses.
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Priority initiative					
PI 3 Indigenize our University					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Establishment of Office of Academic Indigenization (OAI) and onboarding of new Academic Director for Indigenization	June 2018	Complete	Co-directors were hired in July 2017, and the OAI was officially opened in January 2018. The OAI began offering professional development opportunities and contributing to mutually positive relationships with Indigenous communities.	N/A
EO 2	Introduction of a policy proposal with a recommendation for a three-credit graduate requirement in Indigenous coursework	June 2018	In progress	Deans received a Call for Engagement from the OAI inviting academic faculties and departments into conversations focused on indigenization of curriculum and pedagogy at the program level effective Fall 2021, with a view to ensuring all graduates of Mount Royal leave the University with a deeper understanding of Indigenous Peoples.	N/A
EO 3	Development of a research program led by Canada Research Chair in Indigenous Studies	June 2019	In progress	Dr. Tracy Friedel began as Mount Royal University's first Canada Research Chair in the area of Indigenous Studies in July 2017. She is continuing and expanding a program of research in the area of Indigenous Studies.	N/A
EO 4	Expansion of the Indigenous Family Housing Program	June 2019	In progress	Various funding proposals are being developed or have been put forward. Current facilities are being used in the meantime.	N/A
EO 5	Increase in faculty, staff and management awareness and understanding of Indigenous culture and issues	June 2019	In progress	The OAI provided indigenization and cultural awareness training to the University Leadership Group in June 2018 and launched a Faculty and Staff Resources site on the Indigenous Mount Royal section of the University's website.	N/A
EO 6	Continued implementation of an Indigenous student recruitment plan	June 2020	Ongoing	An Indigenous Recruitment Officer enabled the Student Recruitment department to significantly increase the University's presence in urban and rural Indigenous communities and events.	N/A

## G 1 Accessibility

EO 7	Implementation of a transition-year program for Indigenous students registered in the University Entrance Option, facilitated by the development of learning communities	June 2020	In progress	An environmental scan of Indigenous transition-year programs offered at other Canadian universities was initiated in June 2018.	N/A
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### Performance measures

PM 1	Increase in number of degree program applications by Indigenous students	Indigenous degree applications increased by 10.9% from 585 in 2016/17 to 649 in 2017/18.
PM 2	Increase in number of Indigenous student enrolment in credentialed programs	The percentage of students who self-identified as Indigenous reached 5.8% in 2017/18, compared with 5.0% in 2016/17, putting Mount Royal on schedule to achieve 7.0% by 2025.
PM 3	Aboriginal family housing program is doubled to eight families and the single program moves to support 36 students	Various funding proposals are being developed or have been put forward. Current facilities are being used in the meantime.
PM 4	Evidence of a sense of belonging by Indigenous students on campus comparative to the MRU student body	Among 2018 graduating students, 81% of Indigenous students agreed they feel they belong at Mount Royal, compared with 89% of non-Indigenous students. Although the proportion of Indigenous students who agreed is lower than non-Indigenous, the results are not statistically different. (Source CUSC 2018)
PM 5	Increase in retention rates of Indigenous students	The retention rate among Indigenous students equalled the retention rate for non-Indigenous students. The six-year graduation rate for Indigenous students in the Fall 2011 cohort was 76.0% compared with 65.1% for non-Indigenous students.
PM 6	Increase in number of on-campus events showcasing Indigenous culture and ways of knowing	Significant milestones achieved in 2017/18 included the integration of Indigenous culture in New Student Orientation and Spring Convocation, and the gifting of a headdress and Indigenous name to Mount Royal's president and an honour song for the University.
PM 7	Increase in the number of faculty, staff and management enrolled in Indigenous education and training courses	The OAI led nine professional development sessions for faculty. Training was also provided to the University Leadership Group. Additional training and professional development was undertaken at the academic program/department level, organized by chairs and faculty at the local level.

Priority initiative					
PI 4	Internationalize our University				
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Establishment of international student quotas by program	October 2018	Initiated	Discussions on quotas were initiated and will continue. A decision on whether quotas will be established is targeted for September 2019.	Decision by September 2019
EO 2	Establishment of new international partnerships and renewal of existing partnerships in order to grow student opportunities for study abroad	June 2019	Ongoing	Existing partnerships are reviewed annually for currency and activity level. Some partnerships are removed, while others are renewed. New partnerships that are compatible with Mount Royal's objectives and students' needs are added each year.	N/A
EO 3	Enhancement of international student supports	June 2019	Ongoing	A robust international student support and engagement program was established in January 2018 and is based in the International Student Support Centre.	N/A
EO 4	Refinement of a recruitment plan for international students	June 2020	Ongoing	Increased infrastructure for international student recruitment included an international recruiter, international admissions officers, agent agreements, marketing campaigns and targeted travel. Legal agreements and financial arrangements for the use of international agents were finalized in 2017/18 and the University secured a reputable agent for India.	N/A
EO 5	University-wide coordination of international field school opportunities	June 2020	In progress	This is planned for discussion at Deans' Council during the 2018/19 academic year.	N/A
EO 6	Expansion of inbound and outbound exchange and semester-abroad students	June 2020	In progress	Annual growth targets for outbound mobility have been established such that 20% of Mount Royal students will have had an outbound mobility experience by graduation by 2025. Between study-abroad programs and international field schools, 203 students studied abroad in 2017/18, representing 11% of approximately 1,850 graduates.	2025

## G 1 Accessibility

Performance measures		
PM 1	Increase in number of international student enrolment from 2% to 3%	International credit student enrolment was 1.9%, consistent with the previous year. Increased recruitment efforts described above should allow the University to make progress towards its long-term goal of 5% international credit student enrolment by 2025.
PM 2	Increase in number of MRU students participating in a study-abroad program	During the 2017/18 academic year, 90 Mount Royal students participated in study-abroad programs compared with 76 students in 2016/17.
PM 3	Increase in number of international partnerships	In 2017/18, Mount Royal partnered with 80 universities in 30 countries compared with 76 universities in 27 countries the previous year.
PM 4	Increase in number of students participating in international field schools	The number of students who participated in international field schools increased to 113 in 2017/18 from 99 in 2016/17.
PM 5	Increase in number of international students enrolled in credential programs	There was a 10.1% increase in the number of international students enrolled in credential programs in 2017/18 when compared with 2016/17.

Priority initiative					
PI 5 Support students' mental health and well-being					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Provision of access to web-based information and resources for students who are experiencing or may have potential to experience coping concerns	June 2018	Achieved	Mount Royal's website was restructured and expanded to improve students' access to online supports. Web-based resources were provided, including a Blackboard-based mental health module, the 'Breathing Room' program and a blog that accepts and answers anonymous students' questions. These were further promoted through social media.	N/A
EO 2	Development of a cross-campus interdisciplinary response team to respond to students who have been identified as exhibiting concerning behaviours	June 2019	In progress	A framework for the redefined Concerning Behaviour Campus Team was approved in principle. A model for responding to referred situations, a team structure and a model of threat assessment, and training in assessing threats were also approved. The team will become operational with confirmation of its terms of reference and members.	N/A

EO 3	Review of current policies through a student mental health lens with a view to either revise or create new policies to support mental health	June 2020	In progress	Preliminary discussions were held regarding policy review, revisions and additions, and to explore pathways to create and implement new policies as needed. Research into policy as a vehicle to support mental health within a university setting continued, and is a priority for the Healthy Campus Steering Committee, a cross-divisional campus group.	N/A
EO 4	Provision of access to information, training and awareness for students, staff, faculty and administrators to increase mental health literacy and skills in how to identify and respond to students experiencing mental health concerns	June 2020	In progress	Training programs and workshops were established and offered to the campus community to increase mental health literacy and skill-building, offer personal tools for positive mental health and resiliency, enhance people's ability to support a student in distress, and build awareness of suicide and skills in intervention. Students, staff and faculty were also offered training in responding to an opioid overdose, and students attended counselling workshops to learn how to handle delicate conversations and refer students to on-campus services.	N/A
EO 5	Implementation of campus services to increase self-management and coping skills; e.g., counselling groups, early support referrals (some specifically designed for sub-group of students, such as Indigenous and international learners and students living in residence)	June 2020	In progress	Students were provided with online and on-campus supports for mental health as discussed above. Additionally, students coping with physical or mental illness or with health risks were offered a prescribed fitness program that included personal training sessions and resources on campus. Students were offered access to one-on-one counselling, as well as a variety of other campus services aimed at acquiring skills to support their academic success. The Early Support program continued to connect a diverse population of at-risk students with the needed cultural, social and academic supports. Culturally sensitive supports were offered through the Iniskim Centre and the International Student Support Centre.	N/A
EO 6	Provision of appropriate on-campus services and/or transitioned to off-campus services for students requiring access to mental health support and/or students experiencing mental health crises	June 2020	In progress	A three-year agreement was reached with two off-campus providers for students seeking help beyond campus counselling hours. Online and hard copies of information about available services on campus and in the community were distributed to employees across campus as well as information about appropriate distress responses. One-on-one counselling appointments and access to a mental health nurse were available throughout the year.	N/A

## G 1 Accessibility

Performance measures		
PM 1	Increase in the number of student volunteers involved in student mental health initiatives	There was a slight increase over the previous year in the number of students volunteering in peer programming and additional volunteers engaged in new programs, for a total of six new volunteers.
PM 2	Increase in student awareness of student mental health services available on campus	A majority of students (90%) said they were aware of campus wellness services, which included counselling services. (Source: Student Affairs and Campus Life (SACL) Visual Identity Survey Winter 2017). The proportion of graduating students who used personal counselling services increased to 14% from 10% in 2015. (Source: CUSC 2015 and 2018 Survey of Graduating Students)
PM 3	Increase in the number of student mental health programs available on campus	Several new student mental health programs were introduced, including training in suicide awareness and intervention, and opioids and overdose responses with training and Naloxone, increasing the total number of programs from five to eight.
PM 4	Percentage of students reporting satisfaction with personal counselling services accessed higher than comparator group (CUSC)	Among 2018 graduands who used personal counselling services on campus, 91% said they were satisfied with the service compared with 85% of students from comparator institutions. (Source: CUSC 2018 Survey of Graduating Students)

<b>Goal</b>	
<b>G 2</b>	<b>Affordability</b>

**Priority initiative**

**PI 6 Fundraise with intention, actively generating donor support**

**Expected outcomes**

TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Growth of Mount Royal's endowment fund to support student scholarships and bursaries	June 2019	In progress	Mount Royal's total endowment principal dedicated to student awards increased from \$32.5 million to \$34.6 million over the past year.	Ongoing
EO 2	Growth of Mount Royal's endowment fund for initiatives that support teaching and learning practices	June 2019	In progress	Teaching and learning have been identified as top institutional funding priorities and feature prominently in a new institutional case for support. There has been limited growth in these endowments over the past year.	Ongoing

**Performance measures**

PM 1	Increase in the percentage of students who receive bursaries, scholarships and awards	The number of students receiving student awards increased in the past year from 17.2% to 17.6%.
PM 2	Increase in the total value of bursaries, scholarships and awards as a percentage of Mount Royal's annual operating budget	The dollar value of student awards decreased from \$3.8 million to \$3.5 million, largely due to the non-renewal of a number of annual corporate-sponsored awards. Budgeted student awards as a percentage of the annual operating budget decreased from 1.44% in 2016/17 to 1.38% in 2017/18. Actual student awards as a percentage of the actual operating expenses decreased from 1.65% in 2016/17 to 1.47% in 2017/18.
PM 4	Increase in endowment funds to support the Institute for Scholarship of Teaching and Learning and other programs that directly support our vision	The principal balance of Mount Royal's endowment for the Institute for Scholarship of Teaching and Learning currently sits at \$1 million and did not change over the previous year.

## G 2 Affordability

Priority initiative					
PI 7 Achieve equitable, stable and predictable government/regulated funding					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Development of a financial plan designed to achieve our current and long-term strategic goals	June 2018	Complete	A three-year balanced budget plan, including budgeted appropriations for strategic initiatives, was approved in May 2018.	N/A
EO 2	Full and effective participation in the Post-Secondary Funding Review to provide input related to historical funding inequities arising from timing of past funding freezes, which affected post-secondaries disproportionately	June 2018	Deferred	Mount Royal participated last year in the funding review discussions, but the initiative was deferred by government in the spring.	TBD
EO 3	Effective communication of the disproportionate impact of the 2017 lights-on funding freeze on Mount Royal due to the significant size of the Riddell Library and Learning Centre (RLLC) development, which is scheduled to open in Fall 2017. Achieve provincial commitment to provide this funding on a priority basis when lights-on funding freeze is lifted so that the freeze does not become a permanent inequity for Mount Royal.	June 2018	In progress	The RLLC opened on schedule in September 2017. Negotiations with the Ministry of Advanced Education continue in an effort to realize any or all of the money committed for lights-on funding of the RLLC through alternate means. The Minister's office requested and is reviewing a proposal for funding under an Energy Efficiency Alberta program in Alberta Environment to support the installation of a street-level solar unit to help offset power costs and provide an approachable demonstration of green power generation.	TBD
EO 4	Government commitment to provide funding for the construction and programming related to Indigenous housing on campus	June 2018	In progress	A proposal has been shared and discussed with Alberta ministries, including Indigenous Affairs, and Seniors and Housing. The proposal was accepted with interest but no source for funding has been identified. The proposal was also shared with federal Indigenous ministries. Ministry officials are supportive of the initiative but funding at the federal level has not been identified.	TBD

Performance measures		
PM 1	University-level government funding for degree programs equitable with other post-secondary institutions	No funding changes relative to other post-secondary institutions have occurred.
PM 2	Three-year balanced budget does not require reserve funds for base program and service delivery	Specific reserve funds to ensure sustainability, quality and continuity of delivery in programs and services are required.
PM 3	Reduction in gap between tuition and course-based fees and proportional cost of delivery per program	This measure was reviewed and amended in the 2018/19 CIP to “reduction in the cost of delivery per FLE with respect to our comparators” and will be reported on in the next annual report.
PM 4	Reduction in qualified turn-away rate	The qualified turn-away rate in 2017/18 was 25.1%, a reduction of 2.8% from 2016/17.

Priority initiative					
PI 8 Diversify our revenue sources and capitalize current assets					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Development of a financial plan designed to achieve our current and long-term strategic goals	June 2018	Complete	A three-year balanced budget plan, including budgeted appropriations for strategic initiatives, was approved in May 2018.	N/A
EO 2	Incorporation of increased commercial activity in planned new development and renovations of existing space (e.g., renovation of old library space on the campus Main Street) to enhance revenue generation	June 2020	Ongoing	Mount Royal continues to seek funding for the old library space, as discussed in the Capital Plan on page 50.  Renovations to the existing bookstore were started to accommodate Parking, BookStore, Campus Card, Food and Document Services. Event and Theatre Services continues to grow and expand its revenue generating activities, while steering the growth of the Taylor Centre Concert Series. The results of these activities were increased contributions to the University. A service and amenity review was undertaken, which will help guide future revenue generating activities.	N/A

## G 2 Affordability

EO 3	Maximization of revenue-generation through rental of the Bella Concert Hall and other campus spaces to external groups	Ongoing	In progress	The volume of external rentals of performance and event spaces on campus, including concert and conference venues, increased by 40% year over year. Revenues increased by 40% in 2017/18 and share of contribution to total revenues increased by more than 50%.	N/A
<b>Performance measures</b>					
PM 1	Reduction in operations and maintenance expenditures per FLE	Mount Royal no longer feels this measure is an appropriate indicator of cost-effectiveness. A new measure will be developed for the 2019/20 CIP.			
PM 2	Increase in revenue from sales of services and products	Revenues from sales of services and products increased last year by 5.0% from fiscal year 2016/17, and increased an average of 3.4% year over year from 2013/14 to 2017/18.			
PM 3	Long-term financial sustainability	Work continued towards a revised budget model to better equip departments to effectively plan resource requirements long term. All University functions continued to seek revenue opportunities and constrain costs.			

### Priority initiative

#### PI 9 Promote environmental sustainability

#### Expected outcomes

TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Maximization of University resources through detailed analysis, audit and implementation of energy and waste initiatives, including heat, power, natural gas, electricity and all sources of waste	June 2019	Ongoing	Assessments and research into energy and waste initiatives are ongoing and will lead to the development of a long-term utility management strategy that addresses commodity cost, reliability, carbon pricing and market exposure.	N/A
EO 2	Upgrading and adoption of sustainable technology, mechanical systems and programs; co-generation of electricity via combined heat and power (CHP) technology; and implementation of energy assessment recommendations	June 2019	Ongoing	Significant progress was made in 2017/18. Mechanical and instrumentation upgrades in the central plant dramatically improved efficiency and reduced Mount Royal's consumption of natural gas. Construction of a CHP unit and installation of a rooftop solar array neared completion by the end of the fiscal year. Together, these represent Mount Royal's first sources of onsite power generation and will produce 26% of the University's electricity needs.	N/A

EO 3	Enhancement of environmental sustainability practices through educational campaigns targeted at building users and designed to change behaviours	June 2019	Ongoing	A multi-year campus-wide communication campaign has helped to greatly improve occupant behaviour regarding waste stream management. Contamination levels in the recycling program are much reduced as a result. There is a growing level of engagement in reducing energy consumption across campus through behaviour change, such as closing blinds on hot days, turning off computers at night and turning out the lights in empty rooms.	N/A
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**Performance measures**

PM 1	Reduction in consumption and cost per square foot	Utility consumption has stabilized and varies with the weather. Since 2013, costs per square foot have been reduced by \$0.52.			
PM 2	Increase in percentage of waste diverted from the landfill through recycling programs	Waste audits are not done annually, but waste diversion rates are steadily improving with the provision and increased awareness of four-part bins. Mount Royal is in full compliance with City bylaws concerning what can and cannot go to the landfill.			
PM 3	High scores in internal and external building performance audits	This metric is based on industry-standardized performance audits, which are no longer being conducted on an annual basis due to cost.			
PM 4	Achieve a 'gold' level rating in the Association for the Advancement of Sustainability in Higher Education (AASHE) STARS program for environmental sustainability	At year end, data was being analyzed and inputted to AASHE and no rating level was available.			

<b>Goal</b>	
<b>G 3</b>	<b>Quality</b>

Priority initiative					
PI 10 Ensure personalized learning experiences for all of our students					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Expansion of the Early Alert/Early Warning (now Early Support) program	June 2019	Achieved	Run as a pilot the previous year, the Early Support program progressed to institution-wide roll-out in 2017/18, garnering 212 total referrals. A research project investigating the efficacy of individualized early support is currently underway. The Human Research Ethics Board (HREB)-approved study will provide insight into the effect of early support on students' psychosocial characteristics.	N/A
EO 2	Expansion of transitional support programming aimed at providing year-round transitional support for first-year students	June 2020	Ongoing	A new position was filled to build capacity for the full implementation of the Early Support program and to create additional transitional supports. Efforts are now underway to enhance the breadth and depth of transitional support programming available for first-year students. Work also continued to enhance and improve student leader/peer training, with the objective of delivering pre-service core training for all peer facilitators ahead of the Fall 2018 semester.	N/A
EO 3	Enhancement of program and service delivery to meet individualized student needs	June 2020	Ongoing	The offices of Student Conduct and Academic Advising were relocated to more prominent areas of the campus, partly to improve visibility and access for individual students. New Student Orientation made many changes to the service delivery model in 2017/18, aimed at increasing opportunities for new students to meet peers and to develop individual relationships that help students connect to the campus community.	N/A
EO 4	High level of student interactions with faculty	Ongoing	Ongoing	In 2018, 84% of graduands agreed that Mount Royal faculty take a personal interest in students' academic progress, compared with 65% at all participating Canadian universities and 78% at comparators. (Source: CUSC 2018)	N/A

Performance measures		
PM 1	Maintain student/faculty ratio below the national PSI average	Mount Royal University had 30.1 students per full-time faculty member, compared with a national average of 34.0. (Source: Universities Canada; Statistics Canada)
PM 2	Increase in student retention rates	The first- to second-year retention rate, as reported to the Consortium for Student Retention Data Exchange, increased from 85.9% in 2015 to 86.4% among degree students in 2016, the most recent year for which data is available.
PM 3	Percentage of students rating their overall educational experience as excellent or good is higher than comparator group (National Survey of Student Engagement (NSSE))	Among fourth-year students, 92% rated their overall educational experience as excellent or good, compared with 80% at Canadian comparator institutions. (Source: NSSE 2017)

Priority initiative					
PI 11 Create high-impact experiences in and out of the classroom					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Provision of outreach and community learning experiences	June 2019	Ongoing	A total of 53 courses across the University were designated as community service learning (CSL) courses compared with 45 courses in 2016/17.	N/A
EO 2	Expansion of inside and outside of the classroom programs and services that increase students' sense of belonging and participation	June 2020	In progress	A new position, Broadcast Media Studies Work Experience Coordinator, was created to facilitate work experience components students must complete in order to graduate from this new degree program. To increase Indigenous students' sense of belonging, several new components were integrated into Convocation as discussed above.	N/A
EO 3	Expansion of domestic field schools and student exchange opportunities	June 2020	In progress	An expanded Indigenous Environmental Reconciliation field school was offered in Spring 2018 on the Îyârhe Nakoda Nation. This field school was formally co-instructed with an Indigenous community member.	N/A

## G 3 Quality

Performance measures		
PM 1	Percentage of students who agree or strongly agree they feel a sense of belonging at their university is higher than comparator group (CUSC)	Mount Royal graduating students were more likely to agree they feel as if they belong at their university (88%) than were students at comparator institutions (80%). (Source: CUSC 2018 Survey of Graduating Students)
PM 2	Increase in student participation in community-building programs and services	Among 2018 graduands, 11% said they had participated in service learning as part of their program, similar to 12% of 2015 graduands. (Source: CUSC 2015 and 2018 Survey of Graduating Students)
PM 3	Increase in number of students participating in domestic field school placements	In 2017/18, 95 students participated in four field schools, a slight decline from the previous year. Learning in the field also takes place in day-long excursions for students in a variety of programs.

Priority initiative					
PI 12		Provide students with a liberal education			
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Implementation of the recommendations for General Education resulting from the program review	June 2018	In progress	The proposed process for revalidation of the General Education inventory was completed by the University General Education Curriculum Committee in 2017/18. It will be presented to the Academic Plan Implementation Committee (APIC) and discussed with deans and chairs during 2018/19.	June 2020
EO 2	Creation of a Centre of Liberal Education featuring Scholars-in-Residence and a high-profile speaker series	June 2018	In progress	Multi-disciplinary faculty met throughout 2017/18 to discuss the nature and purposes of the proposed Centre. Three open discussion forums were made available to faculty University-wide in spring 2018 and were well attended. A proposal to the APIC is planned during 2018/19.	June 2021
EO 3	Development of collaborative interdisciplinary programming	June 2019	In progress	Two interdisciplinary degrees were included in Mount Royal's 2018–21 CIP for formal consideration: a Bachelor of Science in Data Science and a Bachelor of Interdisciplinary Studies (both for future development).	June 2021

Performance measures		
PM 1	Majority of graduates report they have strong critical thinking and problem-solving skills	Among 2016/17 Mount Royal graduates who were employed, 98% agreed that their program had adequately prepared them to analyze information and 97% agreed that their program had adequately prepared them to solve problems in their work. (Source: Fall 2017 Mount Royal Six-Month Graduate Follow-Up Survey)

Priority initiative					
PI 13	Provide high-impact or capstone work-integrated learning experiences				
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Expansion of student work experience and work-integrated learning opportunities	June 2019	Ongoing	There was a 29% increase in the number of students completing experiential learning opportunities through work terms and co-operative education: 630 in 2017/18 compared with 487 in 2016/17.	N/A
EO 2	Expansion of student community engagement and CSL opportunities	June 2019	Ongoing	The number of CSL courses increased from 45 to 53 last year. A quarter (24%) of graduating students reported participating in volunteer or community service activities on and off campus, compared with 22% at comparator institutions (Source: CUSC 2018).	N/A
Performance measures			Performance measures		
PM 1	Increase in the number of students participating in internship, co-op, practicum, clinical placements	Among 2018 graduating students, 60% said they had experience with experiential learning opportunities including co-ops, practicums, internships and service learning, which is comparable to 61% of 2015 graduating students. (Source: CUSC 2015 and 2018 Survey of Graduating Students)			
PM 2	Increase in number of graduates with CSL citation on transcript	Mount Royal recorded a 5.6% increase in the number of students earning a CSL citation on their official transcripts, up from 396 students in 2016/17 to 418 students in 2017/18.			

### G 3 Quality

Priority initiative					
PI 14 Enrich the student academic experience through participation in research projects					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Demonstration of a clear progression of research skills through curriculum descriptions and degree requirements for all programs	June 2019	In progress	Development of research capacity through curriculum was reinforced in the new Strategic Research and Scholarship Plan (2018–23). The deliberate and ladder progression of research will be tracked through ongoing program reviews.	N/A
EO 2	Inclusion of opportunities for students in every program to participate in at least one senior-level research or capstone project	June 2019	In progress	Undergraduate research has been identified as a core element of the Mount Royal experience in the new Strategic Research and Scholarship Plan (2018–23). Benchmarking will be conducted in the 2018/19 academic year.	N/A
EO 3	Graduates have experience in conducting research and have gained transferable analytical skills in the research process	June 2019	In progress	Undergraduate research has been identified as a core element of the Mount Royal experience in the new Strategic Research and Scholarship Plan (2018–23). Benchmarking will be conducted in the 2018/19 academic year.	N/A
Performance measures					
PM 1	Increase in number of students participating in research projects	In 2017, 3% of first-year students and 22% of fourth-year students said that they had worked with a faculty member on a research project. These results are consistent for first-year students since 2013 but have increased slightly for fourth-year students, where 18% said they had done research with a faculty member. (Source: NSSE 2013 and 2017)			
PM 2	Increase in number of graduates enrolled in further graduate studies	Of 2016/17 degree graduates, 9% said they were enrolled in graduate or professional school six months after graduation, which has increased slightly compared with 7% of 2015/16 graduates. (Source: MRU 2016 and 2017 Six-Month Graduate Follow-Up Survey)			
PM 3	Achieve Ashoka Changemaker Campus designation	Mount Royal was designated an Ashoka Changemaker Campus in fall 2017 following a rigorous multi-year evaluation process. Mount Royal is among fewer than 50 institutions worldwide and one of five in Canada.			

Priority initiative					
PI 15	Create empowered learners				
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Creation of an integrated student experience, encouraging students to create their own sense of community to enhance their work within academic programs	June 2019	Ongoing	Participation in the Harry G. Schaefer Mentorship program, which matches students with working professionals, increased to 162 students and 130 mentors in 2017/18 from 114 students and 96 mentors the previous year. The Harry G. Schaefer program continues to be a primary alumni engagement opportunity on campus with 356 alumni participating.	June 2020
EO 2	Expansion of Library services, programs and technologies to expand student capacity and leverage academic success	June 2019	Complete	The technology-rich creative spaces in the Library are complete, supported and heavily used. Students, faculty and staff can learn how to access, use and deploy the latest resources and technologies in support of their academic work throughout the Library, including in the Library's Maker Studio, Experience Lab, classrooms, Data Hub, visualization spaces and Immersion Studio. Expanded programming ensures broad support and access for Library users.	June 2021
EO 3	Development of student academic confidence, leadership and experiential learning components into programs and services to support student success	June 2020	Ongoing	The Peer Tutor Program was refocused and rebranded to the Peer Learning Program, with a more intentional focus on active learning strategies. Of students who received help, 90% said they felt more confident in their course. A new student leadership framework was developed and a new student-training module was designed and implemented for use by staff who oversee student leadership opportunities. Training resources were coordinated across departments.	June 2021
Performance measures					
PM 1	Increase in number of peer tutors	In the benchmark year of the rebranded program, 20 volunteers completed their College Reading and Learning Association (CRLA) Level 1 certification and 13 completed Level 2. In its second year, the peer mentorship program (MAPS) grew to 39 mentors and 80 mentees, compared with 18 mentors and 30 mentees the previous year.			
PM 2	Increase in the percentage of students satisfied with peer tutoring	Of the 2018 graduating students who indicated they had used tutoring services on campus during the academic year, 86% said they were satisfied with the service, compared with 89% of 2015 graduating students. (Source: CUSC 2015 and 2018 Survey of Graduating Students)			

### G 3 Quality

PM 3	Increase in overall score on the collaborative learning engagement indicator (NSSE)	Since 2013, first- and fourth-year students' scores for collaborative learning overall remain comparable. The 2017 first-year students' collaborative learning score was 33.6 compared with 33.2 in 2013; 2017 fourth-year students' score was 35.1 compared with 34.3 in 2013. (Source: NSSE 2013 and 2017)
PM 4	Increase in percentage of students who say they are accessing Library resources	More than half (53%) of 2018 graduating students said they accessed the physical resources in the Library during the academic year compared with 58% of 2015 graduating students. Electronic resources were accessed by 78% of 2018 graduating students, which was equivalent to 2015. (Source: CUSC 2015 and 2018 Survey of Graduating Students)
PM 5	Percentage of students who say they are satisfied with Library services is higher than comparator group	Mount Royal's 2018 graduating students were slightly more likely to say they were satisfied with physical library resources (96%) compared with our comparator group (93%), and were also slightly more likely to be satisfied with their library's electronic resources (98% at Mount Royal; 95% at comparator universities). (Source: CUSC 2018 Survey of Graduating Students)

#### Priority initiative

#### PI 16 Promote innovation and excellence in teaching and pedagogy

#### Expected outcomes

TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Development of the institutional Teaching-Learning Strategic Plan	June 2018	In progress	This has been put on hold as the Academic Plan Implementation Committee begins its work. The Teaching-Learning Standing Committee of General Faculties Council will undertake this work in 2018/19.	June 2019
EO 2	Approval and implementation of a new Student Evaluation of Instruction instrument and related policies	June 2018	Complete	The Student Perceptions of Teaching (SPoT) instrument was approved by GFC and implemented for the first time in the Fall 2017 term.	N/A
EO 3	Implementation of University-wide celebration of teaching and learning	June 2018	Complete	Our inaugural Celebrate! Teaching and Learning at Mount Royal was held in the Riddell Library and Learning Centre in May 2018 with more than 120 participants. This will be an annual event.	N/A
EO 4	Advancement of the Scholarship of Teaching and Learning pillar of our research strategy	June 2019	Ongoing	Work continues to advance this pillar of the University's research strategy. Of note, the academic director of the Institute for Scholarship of Teaching and Learning was elected president of the International Society for the Scholarship of Teaching and Learning.	N/A

### G 3 Quality

EO 5	Use of open education resources (OER) across programs	June 2019	Ongoing	Mount Royal facilitated its second Community of Practice on Open Education and Pedagogy; hosted the second Alberta Open Education Summit; directed two of six Teaching and Learning Enhancement grant projects towards creation of OERs; facilitated creation of a provincewide, inter-institutional working group on shared Infrastructure and Technology (co-leading with the University of Alberta); and delivered several OER professional development opportunities.	N/A
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#### Performance measures

PM 1	Number of teaching-learning enhancement/innovation projects approved through the Provost's Teaching-Learning Enhancement Grants program	Seven new Teaching-Learning Enhancement grants were approved featuring innovations such as OER, simulation, maker-space integration and blended learning for development in 2018/19.
PM 2	Increase in number of 3M Teaching Fellowships awarded to Mount Royal faculty	One nomination for a 3M Teaching Fellowship was prepared during 2017/18 for submission the next academic year.
PM 3	Increase in number of programs using OER	There was no mechanism to track OER development or use across programs.
PM 4	Increase in proportion of students who say they were given the chance to evaluate the quality of teaching in their courses (CUSC)	Since 2015, graduating students are more likely to agree that they had the ability to evaluate the teaching in all of their courses, with 58% of 2018 graduating students agreeing, compared with 43% of 2015 graduating students. (Source: CUSC 2015 and 2018 Survey of Graduating Students)

### G 3 Quality

Priority initiative					
PI 17 Foster a safe and positive work environment					
Expected outcomes					
TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Implementation of recommendations from the President's Mental Health Task Force and development of programming to support and educate the campus community	June 2018	Complete	Of the original 78 recommendations from the 2013 task force, only six recommendations remain, which will be transitioned to the work of the Healthy Campus Steering Committee. The rest have been satisfied, embedded within institutional work or removed if no longer relevant.	N/A
EO 2	Development of a campus-wide safety culture through the implementation of enhanced and updated Environmental Health and Safety (EH&S) policies and procedures	June 2019	Ongoing	In 2017/18, a cross-campus safety committee was established to identify and resolve safety concerns and implement proactive measures to promote a safe workplace and reduce incidents. Position hazard assessments were started across campus beginning with priority areas, and an online, mandatory safety training orientation was completed by all staff.	N/A
EO 3	Delivery of appropriate and flexible programming to support the health and wellness of employees	June 2019	In progress	More than 100 employees attended wellness consultation sessions to share their perspectives on a healthy work environment. An employee wellness fair involved 22 campus and community service providers. More than 173 employees attended. Flexible, diverse programming was offered throughout the year to support the mental, physical and financial health and wellness of employees.	N/A
EO 4	Implementation of identified priorities in the Diversity and Meaningful Inclusion Framework and delivery of appropriate education and training programs	June 2020	In progress	An institutional working group was created to develop recommendations on the results of the 2017 Employee Diversity and Inclusion survey. A communications plan and recommendations were approved by the President's Executive Committee.	N/A
Performance measures					
PM 1	The majority of employees agree that MRU creates a respectful and inclusive work environment (measured through employee diversity and inclusion survey)	A majority (76%) of employees agreed they are treated fairly and with respect. (Source: Canadian Centre for Diversity and Inclusion (CCDI) 2017 Diversity and Inclusion Survey)			

PM 2	The majority of employees agree they have access to diversity and inclusion training and education (measured through employee diversity and inclusion survey)	A majority (71.6%) of employees agreed they have access to diversity and inclusion training and education. (Source: CCDI 2017 Diversity and Inclusion Survey)
PM 3	Reduction in employee absenteeism/short- and long-term disability claims	General illness leave stayed consistent from calendar year 2016 to calendar year 2017. Factors external to Mount Royal contribute to these leaves. Long-term disability claims were relatively similar year over year.
PM 4	Increase in the employee well-being index as reported in the employee wellness survey	The employee well-being index measures aspects of physical, mental, emotional, spiritual and environmental health. It declined in 2018 compared with 2015, and Mount Royal is working to understand the relationship between general employee well-being in the context of the workplace, which this measure does not address.

**Goal**

**G 4**

**Coordination**

**Priority initiative**

**PI 18 Support and encourage collaborations with post-secondary institutions in the province of Alberta and across Canada**

**Expected outcomes**

TYPE	DESCRIPTION	EXPECTED COMPLETION DATE	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
EO 1	Implementation of partnerships and Memoranda of Understanding between Mount Royal and Indigenous groups that result in the creation of resources that contribute to curriculum development and indigenization	June 2019	Ongoing	The University continues to work with all Treaty 7 communities to advance Mount Royal's indigenization priority, including the indigenization of curriculum. The annual community engagement retreat, to which all Treaty 7 communities are invited, was held at Mount Royal in 2017. Additionally, numerous professional development activities focused on the indigenization of curriculum and pedagogy were undertaken throughout 2017/18 with individual Treaty 7 nations.	N/A
EO 2	Maximization of course transferability with other institutions	June 2020	Ongoing	Mount Royal continued to be a leader in the Campus Alberta system for depth and breadth of transfer agreements available through the Alberta Council for Admissions and Transfer (ACAT). The University also participated in an ACAT-sponsored research project on transfer, mobility and associated outcomes. A review of course transferability and co-listing is completed annually for collaborative degrees. Efforts to enhance credit transfer for Indigenous students who have prior course credits at Alberta tribal colleges and to improve the credit transfer/recognition process for Mount Royal students studying in international exchanges continued.	N/A
EO 3	Maximization of savings potential while enabling improved ability to support future information technology needs via a shared provincial data centre and cloud initiative	June 2019	Ongoing	Mount Royal is part of a provincial initiative, Share IT, that is exploring the development of a shared data centre to meet this common requirement and achieve cost efficiency, which continued into its second year. Share IT continues to seek savings in the purchase of various technology solutions including VMWare licensing, cloud services provider, end-user computing hardware, and vulnerability assessment and penetration testing.	N/A
EO 4	Continued pursuit of dual credit opportunities with Indigenous and area high schools	June 2020	Ongoing	Exploratory discussions were held throughout 2017/18 with five Alberta school divisions and Tsuut'ina High School. New dual credit deliveries in a range of disciplines are expected to launch in 2018/19.	N/A

EO 5	Full implementation of the BSc Environmental Science collaborative degree program at Keyano College	June 2021	Complete	The first intake into the collaborative Bachelor of Science in Environmental Science with Keyano College took place in the Fall 2017 semester.	N/A
EO 6	Collaboration with the University of Calgary to increase efficiency around research compliance (e.g., joint reviews for Human Research Ethics Board (HREB) and Animal Care Committee)	Ongoing	Ongoing	Mount Royal renewed and updated an MOU with the University of Calgary on Human Research Ethics to provide delegated review for health-related research and for the U of C to provide a mechanism to hear appeals for HREB decisions. Collaboration with the U of C has been key to advancing efforts to receive a certificate of Good Animal Practice from the Canadian Council on Animal Care. The head of U of C's Animal Care Committee continued to provide direct input on veterinary requirements.	N/A

### Performance measures

PM 1	Increase in number of partnerships with Indigenous groups	Work continued with all Treaty 7 communities to advance Mount Royal's indigenization priority, including the indigenization of curriculum. Exploratory discussions were held throughout 2017/18 with five Alberta school divisions and Tsuut'ina High School. Mount Royal collaborated with Old Sun College to establish transfer agreements between the institutions that should be formalized in 2018/19. The inaugural national gathering Maanomatapoyah: First Steps was held at Mount Royal for 100 Indigenous students in STEM (science, technology, engineering and math) and offered opportunities to explore undergraduate and graduate opportunities, engage with Indigenous STEM professionals, and network with scholarship-granting organizations and corporations looking to hire.			
PM 2	Reduction in technology maintenance costs	Work is being done across campus departments to increase the number of participants in purchasing agreements in order to secure better pricing for software and hardware, and to seek savings through Share IT.			
PM 3	Increase in number of dual credit agreements with area high schools	One new dual credit course was added, GNED 1401, which will be delivered as dual credit with Bishop Carroll High School in Winter 2018.			

# Enrolment Plan and program changes

## Enrolment Plan

Program	2017/18 FLE (projection)	2017/18 FLE (actual)	Variance FLE
<b>All Programs FLE Total</b>	<b>9,641</b>	<b>9,809</b>	<b>168</b>
<b>Degree FLE Total</b>	<b>7,259</b>	<b>7,395</b>	<b>136</b>
Bachelor of Arts	1,451	1,530	79
Bachelor of Arts in Criminal Justice	355	369	14
Bachelor of Business Administration	1,728	1,778	50
Bachelor of Child Studies	274	225	-49
Bachelor of Communication	560	571	11
Bachelor of Computer Information Systems	211	210	-1
Bachelor of Education	335	309	-26
Bachelor of Health and Physical Education	580	563	-17
Bachelor of Interior Design	91	104	13
Bachelor of Midwifery	39	38	-1
Bachelor of Nursing	721	756	35
Bachelor of Science	912	940	28
<b>Applied Degree FLE Total</b>	<b>48</b>	<b>7</b>	<b>-41</b>
Bachelor of Applied Business and Entrepreneurship	6	2	-4
Bachelor of Applied Computer Information Systems and Business	0	0	0
Bachelor of Applied Ecotourism and Outdoor Leadership	2	1	-1
Bachelor of Applied Interior Design	39	4	-35
Bachelor of Applied International Business and Supply Chain Management	0	0	0
Bachelor of Applied Science – Environmental Science	0	0	0
<b>University Transfer FLE Total</b>	<b>288</b>	<b>303</b>	<b>15</b>
UT: Bachelor of Physical Education	0	0	0

UT: Bachelor of Science	69	63	-6
UT: University Entrance Option	218	240	22
<b>Certificate FLE Total</b>	<b>103</b>	<b>104</b>	<b>1</b>
Advanced Studies in Critical Care Nursing	41	38	-3
Athletic Therapy	16	18	2
Business Administration Certificate	19	17	-2
Early Learning and Child Care Certificate	0	0	0
Embalmer	5	8	3
Environmental Technology Certificate	3	2	-1
Funeral Director	14	20	6
Massage Therapy Certificate	4	2	-2
<b>Diploma FLE Total</b>	<b>427</b>	<b>523</b>	<b>96</b>
Aviation	43	61	18
Broadcasting Diploma	14	3	-11
Business Administration Diploma	0	0	0
Child and Youth Care Counsellor	0	1	1
Computer Information Systems	0	1	1
Disability Studies	0	0	0
Early Learning and Child Care Diploma	1	0	-1
Funeral Service	49	69	20
Massage Therapy	95	130	35
Personal Fitness Trainer	60	74	14
Social Work	165	185	20
Theatre Arts	0	0	0
<b>Non-Credential FLE Total</b>	<b>1,517</b>	<b>1,477</b>	<b>-40</b>
Academic Upgrading	656	589	-67
Bridge to Canadian Nursing (BCN) Program	41	60	19
English as a Second Language	346	272	-74
Open Studies	439	519	80
Transitional Vocational	35	36	1

## Variance explanation

There are several enrolment projection models that Mount Royal University uses for different purposes. Typically, the projections generated for the Comprehensive Institutional Plan (CIP) are based on previous-year final full-load equivalents (FLEs), current-year preliminary FLEs and future-year projected FLEs. As the CIP must be approved by the Mount Royal University Board of Governors in May and submitted to the Ministry in June, we are unable to use actual FLEs for the most current reporting year covered by the CIP. In July, Mount Royal completes the Learner and Enrolment Reporting System (LERS) accountability submission for the Ministry of Advanced Education. The data contained within LERS is used to generate a refined projection model that takes into consideration finalized budget directives and actuals from the most recent reporting year. Following the add/drop period for the fall term, actual student enrolment behaviour is used to update the projection model a final time and to develop projections at the registration level for current- and future-year budget planning.

It is Mount Royal's objective to continually refine projection models in an effort to accurately predict enrolment over one-, three-, five- and 10-year increments and to minimize the variance that occurs between projections and actuals. Predicting student behaviour, market trends and the financial landscape, however, is a fallible craft comprising both art and science. In addition, this stage of Mount Royal's growth strategy is predicated on improved retention and persistence of students and on increased continuing student registration made possible through dramatic increases in seat availability across all academic terms, rather than through increases to intakes in existing programs. Projecting student enrolment increases resulting from retention at the program level is difficult. Predicting exactly where these registrations will occur at the specialization and/or discipline level well in advance of when these registrations are realized (five months ahead of the finalization of registration for the fall term; nine months before the winter term; and 12 months ahead of the spring term) is even more complicated and, due to the number of variables involved, inevitably leads to variance between projections and actuals.

At the institutional level, the University met and exceeded its overall FLE targets, recording a 2.9% increase in 2017/18 actuals over the previous reporting year. This growth represents a 1.7% positive variance between actuals and projections and is aligned with the institution's objective to increase access for Albertans.

At the credential level, the overall positive variance in each category is attributable to slightly larger gains in student retention and student registrations than anticipated. At the non-credential level, there is a minor negative variance overall, which is entirely

attributable to Academic Upgrading and English as a Second Language (ESL). The projections for both of these programs are developed by the Faculty of Continuing Education and Extension and are typically based on the actual FLE produced by the programs in the previous academic year. The negative variance between 2017/18 projections and actuals arise from market conditions that have been less favourable for non-credit programming in the Calgary region.

At the program level, a negative variance less than or equal to 20 FLE is not deemed to be significant, especially considering the variables affecting the forecasting model that are described. Explanations for negative variance above 20 FLE at the program level are as follows:

### Bachelor of Child Studies

The first year of delivery for the Bachelor of Child Studies was in Fall 2014. The projections in the CIP were based on the post-diploma intake filling to capacity but that has never occurred (demand was highest in year one and has waned in consecutive years). Demand for the degree on the whole is strong and enrolment is healthy. A higher proportion of students are graduating in four years than what was assumed in this projection model (partly because of the transition from an applied degree), which also impacts projected FLE. Accuracy of the projections will begin to improve with the graduation of the first four-year cohort and with the establishment of a baseline for student enrolment behaviour.

### Bachelor of Education

From Fall 2011 to Fall 2016, the Bachelor of Education always met and exceeded its intake target (usually by three to five students), and six-year graduation rates are aligned with projections. Mount Royal believes that the variance is a result of the projection model underestimating the four-year graduation rate for the program, which is comparatively high (60%).

### Bachelor of Applied Interior Design

Student completion in this program, which has been suspended, as well as transition to the Bachelor's degree, has been faster than anticipated.

## International enrolment plan (Intl.)

Program	2017/18 FLE (projection)	2017/18 % Intl.	2017/18 FLE (actual)	Variance FLE
<b>All Programs FLE Total</b>	<b>409.6</b>	<b>4.2</b>	<b>310</b>	<b>-99.6</b>
<b>Degree FLE Total</b>	<b>145.6</b>	<b>2</b>	<b>117.5</b>	<b>-28.1</b>
Bachelor of Arts	16.5	1.1	13.6	-2.9
Bachelor of Arts in Criminal Justice	3.7	1	1	-2.7
Bachelor of Business Administration	46	2.7	39.2	-6.8
Bachelor of Child Studies	10.1	3.7	7.6	-2.5
Bachelor of Communication	11.4	2	4.7	-6.7
Bachelor of Computer Information Systems	15.6	7.4	9.9	-5.7
Bachelor of Education	1.2	0.4	0.9	-0.3
Bachelor of Health and Physical Education	7	1.2	6.7	-0.3
Bachelor of Nursing	12.8	1.8	16	3.2
Bachelor of Science	21.3	2.3	17.9	-3.4
<b>Applied Degree FLE Total</b>	<b>0.7</b>	<b>1.4</b>	<b>0.3</b>	<b>-0.4</b>
Bachelor of Applied Interior Design	0.7	1.7	0.3	-0.4
<b>University Transfer FLE Total</b>	<b>10.1</b>	<b>3.5</b>	<b>5</b>	<b>-5.1</b>
UT: Bachelor of Science	3.4	4.9	1.6	-1.8
UT: University Entrance Option	6.6	3	3.4	-3.2
<b>Certificate FLE Total</b>	<b>9</b>	<b>8.8</b>	<b>3.7</b>	<b>-5.3</b>
Business Administration Certificate	8.4	43.7	3.7	-4.7
Embalmer	0.2	4.6	0	-0.2
Massage Therapy Certificate	0.4	9.2	0	-0.4
<b>Diploma FLE Total</b>	<b>13.2</b>	<b>3.1</b>	<b>6.8</b>	<b>-6.4</b>
Aviation	2.1	5	0	-2.1
Broadcasting Diploma	0.1	1.1	0	-0.1
Early Learning and Child Care Diploma	0.3	29.8	0	-0.3

Program	2017/18 FLE (projection)	2017/18 % Intl.	2017/18 FLE (actual)	Variance FLE
Funeral Service	1.8	3.6	0.8	-1
Massage Therapy	5	5.3	2.4	-2.6
Personal Fitness Trainer	1.2	2.1	0	-1.2
Social Work	2.5	1.5	3.6	1.1
<b>Non-Credential FLE Total</b>	<b>231.1</b>	<b>15.2</b>	<b>176.7</b>	<b>-54.4</b>
Academic Upgrading	9.8	1.5	7.7	-2.1
Bridge to Canadian Nursing (BCN) Program	5.4	13.1	1.9	-3.5
English as a Second Language	168.6	48.7	126	-42.6
Open Studies	47.3	10.8	41.1	-6.2

## Variance explanation

Mount Royal University has an objective to grow international student enrolment in credit programs to 5% by 2024/25. In 2017/18, the growth trajectory was slower than projected, resulting in a negative variance across all credential types. The greatest variance occurred in degree programs and in the ESL program. As mentioned on page 38, ESL programming has been subjected to unfavourable market conditions for non-credit programming in the Calgary region. For credentials, the variance at the program level is minor and simply reflects the evolving state of international operations at Mount Royal.

The University is committed to growing international enrolment mindfully and is carefully establishing the infrastructure necessary for international student recruitment, admission and academic support. Positive gains were made in each of these areas in the 2017/18 academic year; however, the gains in enrolment may not occur as quickly in the initial stages of this endeavour.

# New program development

## Program planning

Mount Royal's program planning continues to focus on the institution's current trajectory, which includes the following main elements:

- Building new undergraduate degrees and majors, particularly in the foundational areas of the arts and sciences and professional areas in which students graduate job-ready
- Reducing seats in Open Studies to fund expansions of existing degrees and majors and development of new degrees and majors
- Sustaining and expanding a core suite of diplomas and certificates that are driven by student and market demands
- Maintaining our commitment to a robust General Education component in all degrees and diplomas
- Phasing out applied degrees and university transfer programs

In 2017/18, following the appointment of a new provost and vice-president, academic, Mount Royal significantly revised the institutional program prioritization, development and approval process. The new process is intended to improve the prioritization of academic programs as well as the quality and consistency of submissions to the Ministry of Advanced Education.

## Programs implemented

Collaborative Bachelor of Science – Environmental Science (with Keyano College)

Funding: government

Implementation: Fall 2017

## Programs approved for rollout

Bachelor of Science – Chemistry

Funding: internal reallocation

Implementation: Fall 2018

## CIP programs planned for roll-out in Fall 2019

Bachelor of Business Administration – International Business

Bachelor of Business Administration – Finance

Bachelor of Business Administration – Supply Chain Management

Bachelor of Arts – Business Economics

Funding: internal reallocation

Implementation: Fall 2019

## CIP programs reprioritized for earlier approval

Bachelor of Science – Biology

Bachelor of Science – Computer Science

Bachelor of Social Work

# Research, applied research and scholarly activities

In May 2018, following extensive consultation, Mount Royal University approved a new five-year strategic plan for institutional research. The Strategic Research and Scholarship Plan (2018–23) builds on the previous five-year plan and reflects our growing capacity for research.

The Mount Royal learning community strives for excellence through the nexus of scholarly teaching and diverse research with a strong emphasis on liberal education in an undergraduate context. Faculty pursue research and scholarship to advance and apply knowledge as well as to enhance the quality of teaching. A central premise of the plan is that an exceptional undergraduate experience includes thoughtful integration of research and scholarship into the tenure of all Mount Royal students. Research and scholarship is valued across the full spectrum of creative, disciplinary, interdisciplinary, professional and applied realms. The University is committed to community-based research and strongly values partnerships with Indigenous communities. The designation earned last year as an Ashoka U Changemaker campus, one of only five in Canada, is testament to a scholarly strength in this area.

Research and scholarship at Mount Royal is enhanced through the leadership of institutes and centres. Research capacity through the acquisition of external grants, scholarly partnerships and the growth of research chairs will continue. The first Canada Research Chair (CRC) was hired in the reporting year and the University will move forward with four new CRCs over the next two years. The quality and impact of scholarly activity over purely quantitative counts of output is valued.

The new five-year plan aligns strongly with the provincial outcomes of: a strong economy; effective resource management; environmental stewardship and climate leadership; and a focus on engaging Albertans for the health of communities through strategic focus on the following research themes: resilience and sustainability; social innovation, entrepreneurship and systems design; health and well-being; people and places; scholarship of teaching and learning; and, science, technology and society. The

following are selected highlights of the applied research and scholarly activities as they align with the Alberta Research and Innovation Framework (ARIF) outcomes.

## *Economic diversification and job creation*

Mount Royal's Institute for Innovation and Entrepreneurship (IIE) is a hub and catalyst for growing the economy. The IIE employs a highly experiential approach. This year, the IIE provided 766 hours of mentorship to student entrepreneurs and awarded \$92,750 to 12 student startups through the JMH LaunchPad Competition. Successful graduates and past competition winners returned to Mount Royal to provide mentorship, thanks to a \$10,000 grant from Alberta Innovates. The success of these initiatives is evidenced by a Mount Royal student being named Entrepreneur of the Year by the Entrepreneurs' Organization of Calgary for the fourth straight year.

The Growth Compass Lab, launched this year by the IIE, is based on the principle that collaboration between business professionals and professors is a win-win. It advances both business and academia through innovative and efficient industry-scholar partnerships. The research team has rapidly established a program of applied research with a focus on small- and medium-sized business growth. In September 2017, Dr. Simon Raby released the findings of an 18-month study on the growth of Alberta small- and medium-sized Enterprises (SMEs). The report is having a significant impact on the community with more than 2,500 reads. The Alberta Manufacturing Innovation Accelerator is a pilot program funded by a \$50,000 grant from the Government of Alberta's Ministry of Economic Development and Trade. It provides manufacturers with the innovation mindset and capacity to improve their diversification and growth potential. The Small Business Steward program is a multi-institution research program with collaborators from Mount Royal, the University of Calgary and NAIT. Funded through a \$276,225 grant from the Government of Alberta, this pilot program will help small business owners navigate the public business support ecosystem.

### *Environmental stewardship and climate leadership*

Mount Royal researchers were engaged in funded research across a wide array of environmental and climate-related projects captured in the following publication titles:

- *Hot Springs Ecosystems and Geothermal Energy*
- *Urban Biodiversity: Characterizing Healthy Wetlands*
- *Assessing the Viability of an Alberta Solution for CO2 Sequestration and Long-term Storage in a Hypersaline Devonian Horizon*
- *Adaptation of a Crystalline Inhibition Technique for Brine Remediation in Fine Texture Soils*
- *Creative Sentencing in Alberta: The Syncrude Case*
- *Pricing Pipeline Risk: A Self-assurance Model for Managing Spillage Risk for Petroleum Pipelines*

The Miistakis Institute, an affiliated research institute at Mount Royal, provides faculty and students with opportunities to engage in environmental stewardship across six thematic research areas. Research highlights for the reporting year are captured in the following report titles:

- *Collision Count: Improving Human and Wildlife Safety on Highway 3*
- *A Jurisdictional Review: Wildlife and Solar and Geothermal Energy Development*
- *A Jurisdictional Review: Wildlife and Wind Energy Development*
- *Alberta Beaver Survey Comprehensive Data Report*
- *Community Engaged Research at Mount Royal University*

The Miistakis Institute also continued to demonstrate strong provincial leadership in the development and implementation of citizen science programs, including Call of the Wetland, a highly successful amphibian data collection program to conserve biodiversity in Alberta wetlands. Likewise, the Centre for Community Disaster Research (CCDR) contributed significantly to scholarship that strengthens our ability to adapt to climate change. During the past year, CCDR faculty affiliates published 19 articles and reports, gave 13 presentations to external stakeholders, did 13 media interviews, were mentioned five times by outside organizations, organized three conference sessions or journal special issues, made three new multimedia resources, and otherwise worked to create and advance knowledge in the field.

### *Effective resource management*

Through Mount Royal's Institute for Environmental Sustainability, we were successful in securing long-term funding (\$250,000/year) from a national competition to deliver the Canadian Parks Collective for Innovation and Leadership. As an applied area of scholarly activity that contributes to the role of protected areas in landscape and resource management, the initiative hosts four distinct integrated services and programs:

- Park Leaders Development Program
- Training and Knowledge Inventory
- Innovation and Collaboration Hub
- Parks and Protected Areas Leadership Network

Emerging researcher Dr. Gwen O'Sullivan launched a highly innovative program of research in environmental forensics focusing on identifying ignition sources of wildfires. The research will also contribute to our understanding of the effects of forest fire smoke on human and environmental health. The work is supported through the purchase of leading edge instrumentation (value of \$650,000), which will be the focus of an upcoming Canada Foundation for Innovation grant application.

Drs. Bill Bunn and Robert Boschman are examining the effects of boom-and-bust cycles of single-resource communities. Their work on Uranium City aims to develop 'lessons learned' in the environmental, social and economic realms of resource management. Their findings are being widely disseminated and recognized internationally, including in a paper published in *Humanities* in January 2018 and as the cover article in a special issue: *Humanities for the Environment*.

### *Engaged individuals and communities for a healthy Alberta*

Mount Royal continued to expand its commitment and expertise in community-engaged scholarship through the launch of the Trico Changemakers Studio. Anchored in a newly renovated space, the studio is a highly innovative nexus for students and faculty to engage with our external community on social innovation and systems change. Some of the groups formally working with the studio include:

- Alberta Recreation and Parks Association (Collaborative for Healthy Eating Environments in Recreational Settings)
- Dementia Network of Calgary
- Fetal Alcohol Spectrum Disorder (FASD) Collective

In July 2017, Mount Royal hired its first CRC in Indigenous Studies. Dr. Tracy Friedel is a descendant of the Nehiyaw-speaking Lac Ste. Anne Métis of west-central Alberta and is leading research focused on First Nation and Métis experience in the realm of work and learning, decolonizing research at the intersection of health and education, and Nehiyaw-Métis outdoor/place-based/land-based learning.

An interdisciplinary team of Mount Royal applied researchers was successful in securing ongoing funding for its work on dating, domestic and sexual violence prevention. This program received a \$100,000 grant in the reporting year from Alberta Family and Community Services. By working within the University structure to build capacity amongst students, the Stepping Up project has been able to impact the overall culture of the University environment regarding knowledge and beliefs about relationship violence, as well as awareness of community resources.

The Oxford Map the System Challenge, hosted by the Skoll Centre for Social Entrepreneurship at Oxford University, requires students to showcase their understanding of system-level social and environmental challenges. Students enter a local competition for an opportunity to advance nationally and then internationally. The winner of the Mount Royal challenge was Roisin Dillon, a recent graduate of the Bachelor of Nursing program. Roisin's examination of the systemic epidemic challenge of opioid use in Canada, particularly with respect to fentanyl, earned her one of the top placements at the Canadian finals in Vancouver, which in turn earned her a chance to compete globally in Oxford. For the second year in a row, Mount Royal students placed among the top two teams in Canada, and in the top six globally. This year, Roisin went on to win the top prize at the global finals, ahead of strong teams from the University of Melbourne, Simon Fraser University, Oxford University and other schools, including students at masters and doctoral levels.

#### *Beyond the ARIF outcomes*

Mount Royal is strongly committed to research and scholarship that informs excellence in undergraduate education, believing scholarship across the full spectrum of disciplines is essential to creating an informed, engaged citizenry. A few highlights beyond the ARIF outcomes are included below.

Mount Royal hosted the second annual Liberal Education Conference in May 2018. The conference attracted 57 local, national and international presenters to address the theme: "Can a liberal education make you a better discerner of truth?" The conference featured a variety of paper presentations and discussions, many focusing on the nature of truth, threats to truth and how truth relates to a liberal education. This event is emerging as a significant contributor to the scholarship of liberal education and reinforces Mount Royal's leadership in the field.

The Scholarship of Teaching and Learning (SoTL) is a critical focus of innovation at Mount Royal. Improving the effectiveness of post-secondary learning has the potential to create benefits across all of the provincial innovation targets through the educating the next generation of thought leaders. As outlined in the the ARIF, we see one of our roles as "training the highly skilled graduates need to fuel innovation in industry." Mount Royal was a co-host of the International Society for the Scholarship of Teaching and Learning (ISSOTL) annual conference in 2017. The director of our Institute for the Scholarship of Teaching and Learning is the president elect of ISSOTL and another faculty member was elected as president of the Canadian organization. Mount Royal faculty members published or presented more than 60 scholarly papers related to SOTL in 2017/18.

Finally, Mount Royal's Dr. Richard Harrison was recognized with a Governor General's Literary Award for his collection of poetry, *On Not Losing My Father's Ashes in the Flood*.

# Community outreach and underrepresented learners

## Regional access to learning opportunities

As part of its mandate, Mount Royal University is identified as both a sending and receiving institution for transfer students, thus playing a pivotal role in Campus Alberta.

### Dual credit

Mount Royal University engaged in one additional dual credit initiative in 2017/18, with Bishop Carroll High School in English 1101 – Writing for Academic Purposes.

In addition, in response to the province's new dual credit framework, the University was actively engaged in consultations concerning future dual credit deliveries with a number of school boards across the province, including the Calgary Board of Education, Edmonton Catholic School District, Golden Hills School Division, Foothills School Division and Palliser School Division.

Mount Royal anticipates being involved in five dual credit projects during 2018/19 in English (Bishop Carroll High School), aviation (Edmonton Catholic), calculus (EP Scarlett High School), and political science and biology (Western Canada High School).

### Collaborative degrees

Mount Royal launched a collaborative degree with Keyano College in fall 2017, a Bachelor of Science in Environmental Science. The University is currently engaged in four collaborative degree programs with Alberta community colleges as follows:

1. Medicine Hat College: Bachelor of Business Administration
2. Medicine Hat College: Bachelor of Education
3. Red Deer College: Bachelor of Business Administration
4. Keyano College: Bachelor of Science – Environmental Science

In general terms, students who complete specified two-year diplomas or university transfer credits are eligible to enter year three of the Mount Royal degree. Years three and four of the Mount Royal curriculum are offered onsite at Medicine Hat College, Red Deer College and Keyano College, enabling students in those locations to complete a baccalaureate program without relocating to Calgary.

Upon completion of 60 credits of Mount Royal University coursework in years three and four, students receive the Mount Royal parchment (BBA, BEd or BSc). Detailed agreements addressing matters such as admissions, curriculum approval, faculty hiring and reporting have been developed for each collaboration to ensure the integrity and quality of the program.

## Initiatives for Indigenous learners

The Indigenous Strategic Plan (ISP) 2016–21 was approved by the President's Executive Committee (PEC) in August 2016 and committed Mount Royal University to advance Indigenous student success. The Academic Plan, "Planning to Flourish" (2017–22), further supports indigenization at Mount Royal, in particular those aspects of the plan that call for increasing the integration of Indigenous content, resources and pedagogies across Mount Royal, including in field and work experiences, service learning, practica and clinicals.

The goals of the ISP are to indigenize the campus, to respect and embrace Indigenous knowledge and ways of knowing, to integrate Indigenous teachings and practices, to support Indigenous learners and to honour Indigenous experiences and identities.

Significant progress was made in 2017/18.

- Indigenous degree applications increased by 10.9% from 585 in 2016/17 to 649 in 2017/18, partly as the result of hiring an Indigenous recruitment officer who is committed to establishing and maintaining meaningful relationships with Indigenous communities.
- The percentage of students who self-identified as Indigenous reached 5.8%, compared with 5.0% the previous year, putting Mount Royal on schedule to achieve 7% by 2025.
- The retention rate among Indigenous students equalled the retention rate for non-Indigenous students. The six-year graduation rate for Indigenous students in the Fall 2011 cohort was 76.0% compared with 65.1% for non-Indigenous students.
- Significant milestones achieved in 2017/18 included the integration of Indigenous culture in New Student Orientation and Spring Convocation and the gifting of a headdress and Indigenous name to Mount Royal's president and an honour song for the University.
- Mount Royal initiated an environmental scan of Indigenous transition-year programs at other Canadian universities with a view to establishing a program at Mount Royal that would complement our existing Aboriginal Education Program (AEP) and provide an additional pathway for Indigenous students into Mount Royal degrees and diplomas.
- The University collaborated with Old Sun College to establish transfer agreements between the two institutions. Those agreements are expected to be formalized in 2018/19.
- Mount Royal entered into discussions with the Calgary Board of Education (CBE) concerning potential dual credit initiatives between CBE and Mount Royal for Indigenous high school students. A proposal will be submitted to Alberta Education in 2018/19 under the revised Alberta Dual Credit Framework.
- Indigenous admission targets were added for the Bachelor of Health and Physical Education (4% of designated seats) and confirmed for the Bachelor of Communications (targeting 7% of designated seats) for 2018/19.
- The Indigenous Hawai'i field school was offered in spring 2018 as Mount Royal's first international Indigenous field school. An expanded Indigenous Environmental Reconciliation field school was offered in Spring 2018 on the Îyârhe Nakoda Nation and formally co-instructed with an Indigenous community member.
- The Iniskim Centre continued to provide holistic programs for Indigenous students to promote student success, including the AEP, now in its 25th year and a foundation for the first-year cohort experience in the degree programs. Academic and mentorship programs were provided, as were cultural and spiritual supports.
- The Aboriginal Science and Technology Program (ASTEP) successfully completed the first cycle of funding. The Iniskim Centre is working on maintaining the program by seeking external funding and partnerships to continue to increase Indigenous student enrolment in the Faculty of Science and Technology and support the learning of Indigenous ways of knowing with instructors.
- The Indigenous Housing Program successfully completed its last cycle of funding. The Iniskim Centre is working to maintain and to expand the program and facilities. A housing co-ordinator works to facilitate community and maintain connections with Residence staff, Security, the Iniskim Centre and other University student supports.
- The inaugural national gathering Maanomatapoyah: First Steps was held at Mount Royal in February 2018. The conference was for 100 Indigenous students in STEM (science, technology, engineering and math) and offered opportunities to explore undergraduate and graduate opportunities, engage with Indigenous STEM professionals, as well as network with scholarship-granting organizations and corporations looking to hire. This initiative was led by ASTEP and the Iniskim Centre.
- The Office of Academic Indigenization (OAI) offered numerous professional development opportunities, including community visits, experiential learning and relationship-building with Treaty 7 hosts, highlighted by an executive retreat to Morley, where the Snow family hosted a day of learning and cultural activities in August 2017. Other professional development included:
  - Tsuut'ina Nation tours and cultural/experiential immersion for faculty, which continue.
  - A half-day workshop for the University Leadership Group (ULG) in June 2018.
  - Two half-day workshops for the University Strategic Council (USC) at the Brown Bear Women's Centre on the Tsuut'ina Nation (in partnership with the Iniskim Centre).
  - The OAI worked with Treaty 7 community members in order to ensure that curricular and pedagogical shifts met community needs and protocols, and continues this work on an ongoing basis.

- Two permanent outdoor art installations were added to campus, as a territorial acknowledgment and homage to residential school victims and families.
- The Indigenous community of Calgary hosted the Walking With Our Sisters art installation to honour murdered and missing Indigenous women and girls, in spring 2018. The installation was in the Riddell Library and Learning Centre with many faculty, staff, and students volunteering.

## Supports for other underrepresented learners

Mount Royal ensures services are in place to support foundational learners, learners with disabilities, rural learners and learners from low-income backgrounds.

Accessibility Services at Mount Royal helps to ensure the University provides an accessible learning environment that encourages full participation in academic courses for students experiencing disabilities. Reasonable accommodations are tailored to the individual, are flexible and are determined by considering the barriers within the unique environment of a post-secondary institution. Accommodations are made for students with documented conditions that cause them to face barriers in a post-secondary learning environment.

Documented conditions include:

- attention deficit/hyperactivity disorders
- chronic health issues
- deafness or partial hearing
- head injuries
- learning disabilities
- mental health issues
- mobility impairments
- physical disabilities
- partial sight or blindness
- temporary impairments due to accident, illness or injury

To the extent possible given the age of many buildings on campus, Mount Royal works to ensure physical spaces are accessible. Newer buildings are built to universal design standards that include accessibility features such as ramps, automatic doors and lowered buttons and controls. Many washrooms on campus are equipped with accessible amenities, and the snow and ice removal plan on campus ensures accessible entry points are a first priority.

Mount Royal's collaborative agreements with colleges in smaller communities increases rural students' access to post-secondary learning. Along with all students, rural students who attend classes on Mount Royal's campus have access to a variety of supports that address their academic and mental health needs, including services that support students in their first year away from home.

In support of students' financial needs, Mount Royal's total endowment dedicated to student awards increased from \$32.5 million to \$34.6 million over the past year. The number of students receiving student awards increased from 17.2% to 17.6%. On an ongoing basis, Mount Royal provides financial advice to students to help them manage their costs. Services include advice on scholarships, bursaries and loans; fee payment options; income tax; subsidies for housing, transit and health care; credit; and budgeting.

# Internationalization

Mount Royal continued to advance its internationalization plan, which is a key priority in the Institutional Strategic Plan, both in terms of recruitment and retention, but also in increasing opportunities for international experiences for our domestic students.

At the time of writing, Mount Royal is in partnership with 80 post-secondary institutions around the world to provide students and faculty with a range of global opportunities, both inbound and outbound. Partnerships are reviewed annually for levels of activity and reciprocity.

In May 2018, Mount Royal signed an international partnership agreement with Ecole Supérieure des Sciences Commerciales d'Angers (ESSCA) in Angers, France, for Mount Royal students enrolled in the Bissett School of Business to complete a fourth-year, two-semester student exchange. The courses undertaken during this exchange will meet the University's graduation requirement. In conjunction with the exchange with ESSCA, Mount Royal students will be eligible to apply for a Masters in Management degree through ESSCA, returning to ESSCA for one year upon graduation from Mount Royal to complete it.

Other accomplishments in the 2017/18 year included progress in key outcomes and measures of the University's internationalization strategy:

- A robust international student support and engagement program was established in January 2018 and is based in the International Student Support Centre.
- Increased infrastructure for international student recruitment included an international recruiter, international admissions officers, agent agreements, marketing campaigns and targeted travel. Legal agreements and financial arrangements for the use of international agents were finalized in 2017/18 and the University secured a reputable agent for India. Specific international recruitment objectives and strategies will be featured in the University's Strategic Enrolment Management Plan.
- Annual growth targets for outbound mobility have been established such that 20% of Mount Royal students will have had an outbound mobility experience by graduation by 2025.

- International student enrolment across all programs was maintained at the previous year's level. Increased recruitment efforts described above should allow the University to make progress towards its long-term goal of 5% international student enrolment.
- During the 2017/18 academic year, 90 Mount Royal students participated in study-abroad programs compared with 76 students in 2016/17.
- The number of students who participated in international field schools increased to 113 from 99 in 2016/17. Combined with study-abroad programs, this resulted in 203 students studying abroad during the 2017/18 academic year, 11% of approximately 1,850 graduates.
- Mount Royal partnered with 80 universities in 30 countries last year compared with 76 universities in 27 countries the previous year.
- There was a 10.1% increase in the number of international students enrolled in credential programs when compared with 2016/17.

Mount Royal University does not currently deliver collaborative, joint or dual credentials with non-Alberta-based institutions or have staff located offshore.

# Information technology

## Information Technology Services and the Technology Stewardship Committee

Mount Royal's Information Technology Services (ITS) department supports all student, academic and administrative-facing systems with a focus on safe, timely and efficient operations. ITS receives strategic guidance and oversight from the Technology Stewardship Committee (TSC) chaired by the chief information officer (CIO) and consisting of members from across the University community.

The purpose of the TSC is the creation, execution and oversight of Mount Royal's Strategic Technology Plan (STP). The TSC is central to the successful functioning of the IT stewardship process. It is an executive-level committee, setting strategic objectives and establishing institutional criteria for prioritizing systems initiatives. This committee provides stewardship for the information systems project portfolio and ensures information systems decisions have strategic fit, functional utility and balanced investment across the institution. The committee's responsibilities include guidance for the technology project portfolio with a focus on realizing benefits of implemented initiatives, as well as direction on necessary standards for efficient operations, enterprise data and systems architecture.

The priorities and activities set by the TSC include:

- Governance: oversee the ITS stewardship process and provide guidance to the development of University-wide information technology services policies and standards.
- Representation and advocacy: represent all ITS stakeholders across the University; engage senior academic leaders, student service leaders and administrative service leaders through web portals, town hall meetings and informal discussions; and identify faculty/department initiatives that support the University Strategic Plan.

- Initiative prioritization and oversight: establish institutional criteria for prioritizing system initiatives; monitor progress of ITS initiatives; and assess benefits realization of information systems initiatives.

The TSC ensures that a disciplined approach imbues all Mount Royal information technology systems and processes in order to realize value while sustaining ongoing operations.

Approximately 95% of ITS labour focuses on running the organization. This percentage of labour must change in the future to properly support Mount Royal's University Strategic Plan, which focuses on growing student enrolment and transforming support for student success.

ITS's long-term operational goal for 2025 seeks an equal one-third split between the operational concepts of run, grow and transform. Each of these three areas will have specific goals and objectives that guide development of labour skills and execution of initiatives. The University's STP will guide this work, as will the information technology and data governance frameworks. Completion of these documents is dependent on finalization of divisional strategic plans to provide necessary technology investment and operations guidance, and is now planned for the end of the 2018/19 fiscal year.

## Projects completed in 2017/18

ITS completed dozens of projects in 2017/18 related to the University's infrastructure and security, application development and strategic practices.

Major projects included the installation of network and server infrastructure for the new Riddell Library and Learning Centre; numerous installations and upgrades to systems for campus security and building management, including smart technologies; expansion of wireless network coverage; and participation in the Share IT request for proposal process.

Applications were developed and supported for the departments of Research, Career Services, Enrolment Services, Accessibility Services and ITS. A new online recruiting tool (eRecruiter) was launched for Human Resources, and a variety of other services were provided in support of the University's strategic priorities. Significant work was done to migrate from Banner 8 to Banner 9 as the core software system for day-to-day operations, which will create numerous efficiencies for the future.

# Capital Plan

## Projects for approval

Mount Royal University completed its Campus Master Plan Update in 2016, and in May 2017 completed an entire review of its existing internal space and capacity to repurpose that space to support strategic plans and priorities for the future. These master plan updates come at the tail end of many years of completing new building construction. Existing campus spaces vacated by these new capital projects provide the University with the opportunity for growth using existing infrastructure.

These repurposing priorities are critical in meeting the University's goal to increase enrolment intake and enhance teaching and laboratory facilities to support undergraduate student success, which in turn assists in meeting the Government of Alberta's capital plan pillars of supporting key social programs and services, economic development and environmental outcomes. Mount Royal's intent is to work with Government to see that these capital priorities can be completed efficiently in order to meet the growing demands on the campus while recognizing the need to be financially flexible during these challenging economic times.

## Top capital project priorities

### *Repurposing existing facilities*

The recently completed review and assessment of existing physical infrastructure has resulted in an internal repurposing/renovations master plan. The plan outlines the total space available to be repurposed and provides an updated cost estimate to complete the entire plan. By completing this much-needed internal repurposing of space, the University will generate additional physical capacity of 2,328 square metres of usable space, will impact and repurpose a total of 21,513 square metres and will build a net additional capacity to accommodate up to 1,250 additional FLE. This additional/repurposed space will require no additional operating funding (lights-on funding) to support the ongoing operations for the space as those funds already exist within base operating grants.

In early planning, as presented in the 2017/18 through 2020/21 CIP, the total project was broken down into two possible phasing options with costs spread over three years as indicated in the following.

2017/18 through 2021/21 CIP				
Option 1 (\$ million)	Total	Year one	Year two	Year three
Phase 1 – Repurposing of vacated Library spaces and Main Street renovation	31.0	10.3	10.3	10.4
Phase 2 – Development of research labs and facilities, and repurposing of vacated Conservatory spaces	31.0	10.3	10.3	10.4
<b>Total</b>	<b>62.0</b>	<b>20.6</b>	<b>20.6</b>	<b>20.8</b>
Option 2 (\$ million)	Total	Year one	Year two	Year three
Phase 1 – Repurposing of vacated Library spaces, Main Street renovation, and development of research labs and facilities	43.5	14.5	14.5	14.5
Phase 2 – Repurposing of vacated Conservatory spaces	12.5	4.2	4.2	4.1
Phase 3 – Restacking and repurposing of existing spaces	6.0	2.0	2.0	2.0
<b>Total</b>	<b>62.0</b>	<b>20.7</b>	<b>20.7</b>	<b>20.6</b>

Over the course of 2017/18, Mount Royal recognized a more granular phasing would allow the most pressing elements of the Internal Renovation Master Plan to proceed given the support of funding bodies. As a result, the costs were allocated over seven individual phases as outlined below and as reflected in the 2018/19 through 2021/22 CIP.

Phase	\$ million
1. Repurposing vacated Conservatory space into classrooms	6.0
2. Repurposing the vacated Library space into a new student centre, study space, classrooms and centralized student services	17.9
3. Revitalize Main Street and develop north/south circulation	19.0
4. Revitalize campus BookStore, relocate campus services, create new study space and International Student Centre	5.0
5. Build new classrooms/labs, relocate Enrolment Management, Admissions and Recruitment	6.3
6. Office space renovations	4.3
7. New classroom and renovated Iniskim Centre, security office and multi-purpose space	2.7
<b>Subtotal – phased projects</b>	<b>61.2</b>
Estimate to finalize given variability of sequencing, staging and function relocations associated with varying timing of phases, and increased uncertainty and complexity for completion	1.8
<b>Total</b>	<b>63.0</b>

Following are further details describing these top-priority repurposing projects as of the 2018/19 through 2020/21 CIP.

### **Repurposing of vacated Library spaces and Main Street renovations**

With the completion of Riddell Library and Learning Centre (RLLC) in fall 2017, Mount Royal University will need to redevelop the existing vacated Library, Academic Development Centre and Student Learning Services spaces to enable the further development of programs and services, and to be a catalyst for redeveloping the Main Street corridor. These very large and visible empty spaces in the heart of campus must be repurposed to ensure effective use of existing infrastructure to meet strategic priorities for the future.

Student services currently operate in scattered locations throughout the campus, a source of confusion and frustration for students seeking particular kinds of support. To create a student-centred point of service and offer a one-stop shop for students, Mount Royal would like to consolidate and centralize student services in a more visible and accessible location. The main focus will be the creation of a “Main Street” concept: a typical section of boulevards, walkways, storefronts and pedestrian realms linked to open courtyards with adjacent seating, study areas next to green spaces and storefronts of student services accentuated with lighting and glazing.

The scope of the project also includes the relocation of student services such as Enrolment Services, the Iniskim Centre (Mount Royal’s Indigenous student centre), an International Student Centre, Career Services, and Testing and Disability Services, and the creation of a Main Street concept, introducing light wells to allow for light to penetrate lower level areas, and incorporate inner and outer courtyards to provide visual interest and usable spaces.

In conjunction with the repurposing of these spaces, the need arises for increased and updated wayfinding signage across the campus. This includes traffic, pedestrian and orientation signage for the safe flow of movement of people. The scope of the project includes interior and exterior wayfinding signage.

The University’s strategic plan sets out bold goals and aspirations for the future, and with that growth is the need for additional classrooms and facilities. Repurposing existing vacated spaces to add additional classroom capacity is a critical component of future capital priorities. Any growth in programs in the Faculty of Science and Technology will require additional lab spaces, which would also accommodate the critical research lab spaces noted below.

In order to continue its growth and evolution as an undergraduate university, Mount Royal will continue to invest in infrastructure and supports that can further the engagement of faculty members and students in research and scholarly activity. Laboratory facilities are of critical importance, particularly in the Faculty of Science and Technology. Such facilities represent fundamental infrastructure for engaging in research, attracting external funding and developing collaborations. Mount Royal’s three-year Institutional Research Plan identifies critical areas where research infrastructure and research capacity building are required.

With the completion of the Taylor Centre for the Performing Arts and Bella Concert Hall in fall 2015, there is an opportunity to repurpose the former Conservatory space to help meet priorities in teaching and learning needs. Renovation of existing facilities would provide additional instructional space as described above, as well as faculty and staff offices and student study space.

**Updated project schedule:**

**Phase 1: August 2018 to April 2019**

**Phase 2: August 2018 to August 2020**

**Phases 3 to 7: January 2019 to August 2021**

**Total estimated budget: \$63 million funded by Government of Alberta**

***Indigenous family housing residence***

A key strategic priority of Mount Royal University is to support growth in both the number and success of Indigenous learners. Affordable housing is one of the most significant barriers students face when considering post-secondary education. The University is committed to eliminating this barrier through the provision of on-campus housing for Indigenous students and their families. Residence is available on a 12-month basis to provide families with children a stable housing option throughout the year. The three distinct components of this strategy are: increase the number of family housing units in Residence from the existing four to eight; provide reliable housing bursaries; and provide stable support programming to ensure student success. Originally the construction of a proposed housing residence was planned for a new apartment-style residence with a multi-purpose room, services such as laundry and storage, and an outdoor play area and parking. Given the University's residence capacity on campus, this plan was revised to utilize and renovate existing units to create that residence hub with related amenities to be available to Indigenous students and their families that support their success. Planning for this development continued through the close of the 2017/18 fiscal year.

**Updated project schedule: September 2018 to January 2020 or later**

**Total estimated budget: TBD**

***New facilities***

**New information technology data centre**

Requirements for business continuity and disaster recovery planning indicate that the University needs to build either an additional or a single new data centre. The University's current data centre was built more than 20 years ago. An additional data centre would allow Mount Royal to expand its technology utility base and accommodate the growth in storage and technology support required and to add levels of security and reduce risks. Mount Royal is part of a provincial initiative that is exploring the development of a shared data centre to meet this common requirement and achieve cost efficiency.

**Updated project schedule: April 2019 to September 2020**

**Total estimated budget: \$6 million**

**Health Science and Science and Technology wing expansion Phase II**

With the anticipated expansion of Health Science and Science degree programs, Mount Royal foresees the need for the creation of a Health Science wing or standalone structure that would be incorporated into a significant expansion of the current Science and Technology space over the long term. This would create an integrated Health Science and Science wing to support expanded University degree program offerings in these areas.

(\$ million)	Total	2019/20	2020/21	2021/22
New Health Science and Science and Technology wing	152.0	4.0	74.0	74.0

**Proposed project schedule: July 2020 to June 2023**

**Total estimated budget: \$152 million funded by Government of Alberta and private donations**

## Detailed review of Capital Plan

TYPE	DESCRIPTION	FUNDING SOURCES	PROGRESS OF FUNDING COLLECTION	EXPECTED COMPLETION DATE (FROM CIP)	STATUS	PROGRESS MADE IN LAST 12 MONTHS	REVISED EXPECTED COMPLETION DATE
<b>Priority projects</b>							
Repurposing existing facilities	Repurpose 21,513 square metres, which will build a net additional capacity to accommodate up to 1,250 additional FLE	Province	Not confirmed	2018–20	Awaiting funding opportunities	Rephasing of plan to facilitate most pressing elements for student access	2021
Indigenous family housing residence	Establishment of residence to support growth in number and success of Indigenous students	Province	Not confirmed	2018/19	Awaiting funding opportunities	Shifted from new construction to renovation approach using existing Residence capacity	2020
New information technology data centre	Build a single new data centre	Province	Not confirmed	2018/19	Awaiting funding opportunities	N/A	2020
Health Science and Science Technology wing	Create an integrated Health Science facility	Province/ Donations	Not confirmed	2018/19	Awaiting funding opportunities	N/A	2022
<b>Other</b>							
Maintenance	Facilities mechanical, heat and power projects	Province	Complete	2018/19	Complete	Complete	N/A
New	Social Innovation Hub	Province/ Donations/ Reserve	Complete	2018/19	Complete	Complete	N/A
Expansion	none						

# Financial and budget information

## Management's discussion and analysis

This Management Discussion and Analysis (MD&A) should be read in conjunction with the Mount Royal University consolidated financial statements and accompanying notes. The MD&A and audited financial statements are approved by the University Board of Governors on the recommendation of its Audit and Risk Committee. The University's consolidated financial statements are prepared in accordance with Public Sector Accounting Standards.

The following provides an overview of the financial results achieved in the fiscal year ended June 30, 2018, with discussion and analysis of the following areas:

- economic and operating environment
- financial health indicators
- financial risks
- fiscal year results

## Economic and operating environment

The ongoing commitment by the provincial government to provide stable grant funding for post-secondary education provides much-needed support to the University's operations. The Alberta economy continues its recovery and the year-over-year Consumer Price Index (CPI) reported for June 2018 at 2.8% is the largest year-over-year increase since February 2012. Cost escalation for delivery of education continued to exceed provincial CPI and the 2% increment provided on Mount Royal's Campus Alberta Grant offset a portion of the negative revenue budget variance. The revenue and expense trends for the University reflect these increasing financial pressures.

Mount Royal, consistent with most post-secondary institutions, expends the majority of its operating budget on personnel. Salary and benefits expenses represented 69% of operating expenses in 2017/18. Given the predominant expenditure on compensation, the University's operating costs exceeded increases provided through government funding and tuition revenue. Ancillary and commercial services previously relied upon

to provide net financial contributions to support delivery of instruction and related services continue to be impaired by economic conditions and muted demand. In particular, demand for credit-free offerings remained below long-term trends and budgeted activity levels.

Adjusting to this environment of constrained revenue growth, the University is reducing financial pressure through sustainable initiatives to increase physical plant efficiencies, along with advancing the academic mission and ensuring operational efficiencies, while retaining quality student services. In 2017/18, consideration of alternate program and service offerings, modified resource allocation methodologies and streamlining of internal services were priority initiatives to improve the University's resiliency.

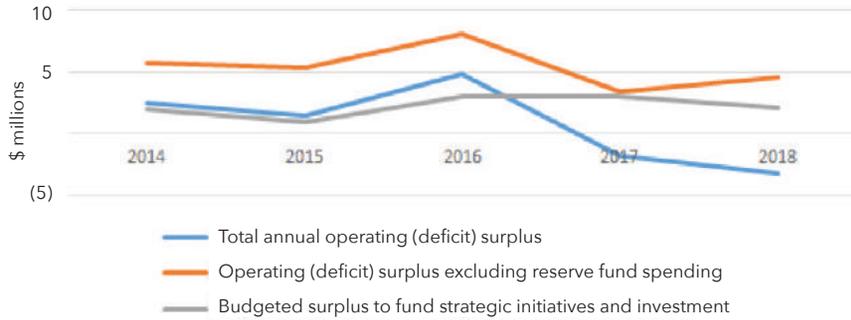
Consistent with its strategic plan, *Learning Together Leading Together*, Mount Royal is focused on strategic growth. While jurisdictions across Canada struggle to maintain stable enrolment levels, Mount Royal and post-secondary institutions in the Calgary region continue to face strong demand for access to undergraduate degree offerings. Over the past two years, the University strategically expanded course offerings for current students to resolve identified bottlenecks and increase timely degree completion. This initiative resulted in an enrolment increase of 6% over this period. Future growth will focus on adjusting intake targets based on a thorough analysis of institutional capacity, coupled with program demand.

## Financial health indicators

The University is focused on its long-term financial sustainability to enable continued delivery of its premium undergraduate programs and services.

The annual operating (deficit) position reflects annual operating revenues less expenses, including spending on internally restricted fund activities that are not captured in the budget. Internally restricted fund activities are focused on strategic initiatives, investment needed for revenue generating facilities and departments, and capital investments. The annual budget is established to generate a sufficient surplus to fund these strategic and investment needs. The University's net operating position has fluctuated over the past several years, but at the close of 2017/18 was at its lowest position in the past five years. The University continues its focus on cost containment, revitalization of credit-free and commercial offerings, and enrolment growth to improve this trend.

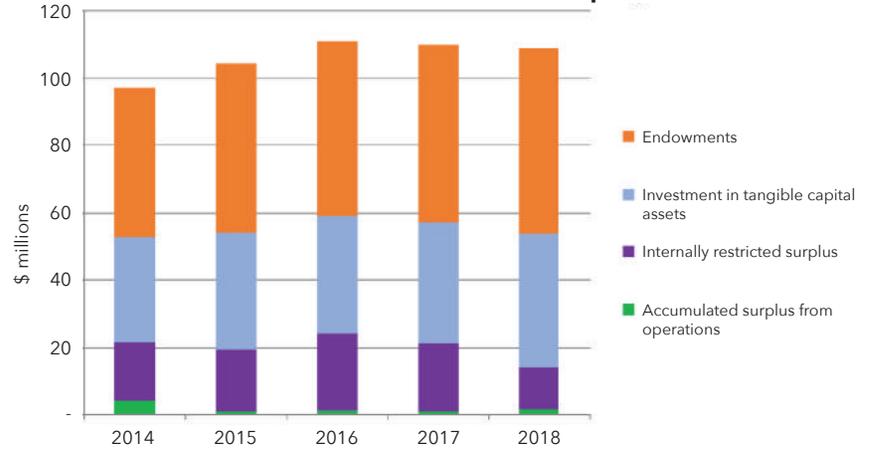
**5 Yr Trend of Annual Operating Surplus (Deficit)**



This annual (deficit) impacted the total accumulated surplus presented on the Statement of Financial Position. This balance represents the accumulation of available resources, including endowments and internal investment in physical infrastructure from prior years. The \$108.8 million total accumulated surplus at the close of 2017/18 comprised 50% for endowed balances that are restricted in their use (\$54.9 million); 37% for the University’s net investment in its tangible capital assets (\$39.7 million); 11.5% for internally restricted surplus (\$12.5 million); and the balance of 1.5% (\$1.7 million) in unrestricted net assets.

Proportionately, the five-year trend in internally restricted surplus balances, along with unrestricted accumulated surplus from operations, makes up a decreasing portion of total accumulated surplus, resulting in diminishing resources for the University to direct to strategic initiatives and facilities. This is the result of costs exceeding revenue streams, the majority of which are defined or regulated by the provincial government. The remaining revenue streams from activities beyond the government’s control or regulation provide increasingly unreliable contributions given the current economic environment.

**5 Yr Trend of Total Accumulated Surplus**



In the face of this trend of increasing financial constraint, operating efficiencies are being sought by coordinating key services and using the University’s capacity for program delivery, both physically and in terms of instructional delivery, while at the same time reducing facility operating costs.

The University has previously relied upon significant cash balances due to grant monies advanced for capital projects. This enabled unrestricted long-term investment earnings on the investment portfolio to be retained in the unrestricted portfolio balances, as opposed to being used for long-term working capital requirements. The unrestricted balance of the portfolio was steadily increasing, while operating cash was decreasing. As the liquidity profile of the University has changed, with the lowest point in the cash flow cycle at the end of June, along with grant balances consumed on completion of capital projects, the University’s revolving line of credit and transition of \$15.0 million of the investment portfolio was completed. The University is reviewing its liquidity strategy in relation to its portfolio investments to ensure an optimal balance to support operational and long-term requirements.

## Financial risks

Net contributions from Faculty of Continuing Education and Extension offerings, including corporate training, have not recovered from pre-2014 levels, resulting in a realignment of offerings to meet the needs of the community and return to previous financial contributions.

Realizing the University's strategic growth objective of 13,000 full-load equivalent (FLE) students by 2025 relies upon increased financial support from the Government of Alberta, changes to the University's cost structure to reduce total costs per FLE and realization of instructional capacity. The University is examining its cost structures and instructional capacity, recognizing that incremental tuition and fee revenues related to increased student intake covers only 30% of the full institutional expenses per FLE. Incremental government support will be needed to fund sustained and substantial growth to meet community demand. The increasing cost of regulatory compliance, the breadth of support required by students and the maintenance of sound administrative supports contribute to the need for enrolment growth to distribute increasing non-discretionary costs.

Lights-on funding for Government-supported facilities has historically been provided upon completion of the facility to cover basic operating costs, including utilities and custodial maintenance. In the summer of 2017, the University celebrated the opening of the Riddell Library and Learning Centre (RLLC), a single building adding nearly 16,000 square metres for student and academic support. Base operating costs of this new facility are approximately \$2 million annually. It was anticipated that \$1.8 million for annual lights-on funding would be provided in 2017/18; however, the Province communicated that no lights-on funding would be provided to new facilities, as was previous practice. Following the provincial budget announcement in March 2018, the University received an unexpected one-time payment of \$1.3 million of lights-on monies. Without the ongoing and predictable commitment of these funds, the University will experience financial pressure on the operations of the facility, creating a financial risk for the institution.

## Fiscal year results

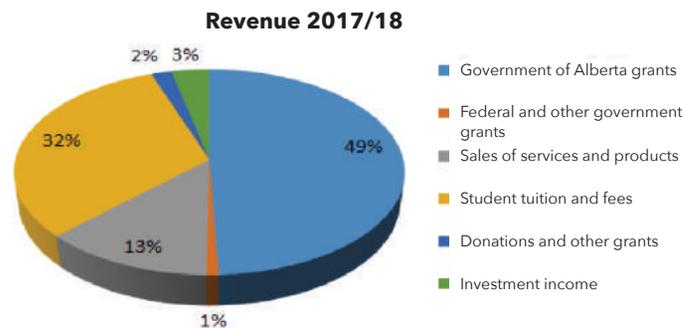
### 2017/18 consolidated financial results

At the consolidated entity level, total revenue and expense excluding internally restricted fund spending of \$1.8 million were materially on budget. Revenues increased over 2016/17 levels, mostly due to an increase in student tuition with enrolment growth, positive portfolio investment returns and unanticipated grant funding from the Province. Expenses increased from the prior year by \$2.4 million in operations and \$5 million in

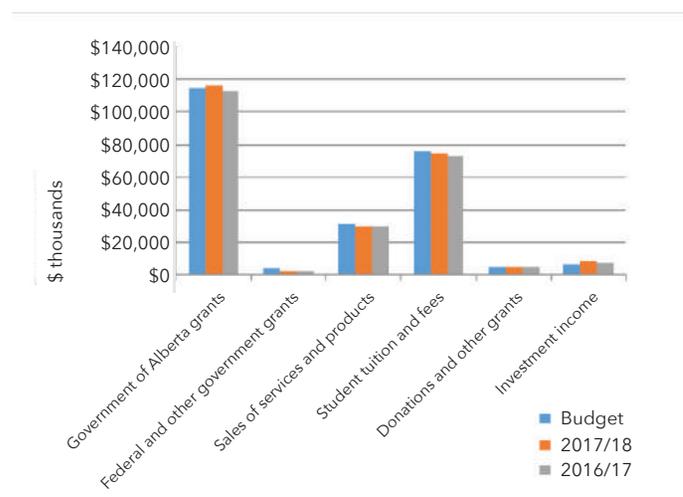
spending activity from internally restricted sources for special projects and strategic investments. Cost containment measures across all service and support areas of the University offset budgeted labour spending required for increased course delivery.

## Revenue

Regulated revenues through the provincial grants and student tuition and fees continued to make up the majority of the University's income sources. Total Government of Alberta grants and student-based revenues comprised 81% of the University's income stream in 2017/18.



### Revenue by Source – budget, actual and prior year



## Grant funding streams

Provincial grant revenues totalled \$116.8 million, exceeding the budgeted value of \$114.5 million. A 2% increase to the University's base operating grant and the one-time lights-on funding were the main contributors to the positive budget variance. Of the \$116.8 million, the general operating grant was \$101 million. The balance comprised capital grant funding through the Strategic Investment Fund (SIF), Infrastructure Maintenance Program (IMP) funding and other provincial agencies.

A variety of federal and other government grants contributed \$2.1 million to program-specific activities and externally funded research activities.

## Sales of services and products

The effects of a consolidation of program offerings in the Faculty of Continuing Education and Extension, and increased uptake in the community for the Taylor Centre for Performing Arts and other event offerings through the University's Event and Theatre Services contributed to revenues being higher than the prior years. This activity continues to grow as the University capitalizes on its exceptional facilities to serve the needs of a variety of groups, and as the Business and Retail Services department refreshes its service delivery model under its long-term plan to best meet the needs of the student population and the surrounding community.

Lower than planned activity levels in corporate and custom training programs, as the economic environment continues to recover, along with lower facility rentals and registration for Recreation offerings, contributed to revenue being under budget. Student residence revenue falling 7.0% below budget was attributed to increased vacancy rates for accommodation in Calgary.

## Student tuition and fees

Over 2017/18, the University continued its commitment to timely degree completion through the addition of courses and seats in program areas where course availability was identified as hindering students' program progression. Courses were also added in the spring and summer sessions to make use of available capacity. This contributed to a 3% increase in enrolment and the addition of \$1.8 million in tuition revenue greater than budget and a \$2.1 million increase over the prior year. Offsetting this growth in revenue was lower registration in credit-free offerings in the Faculty of Continuing Education and Extension. The overall positive performance in other fees was largely due to higher than anticipated enrolment in the University's Aviation program.

## Investment income

Investment income realized in 2017/18 reflected the increased rate of return of 6.8%, compared with 6.2% in 2016/17. In addition, unbudgeted realized returns resulted

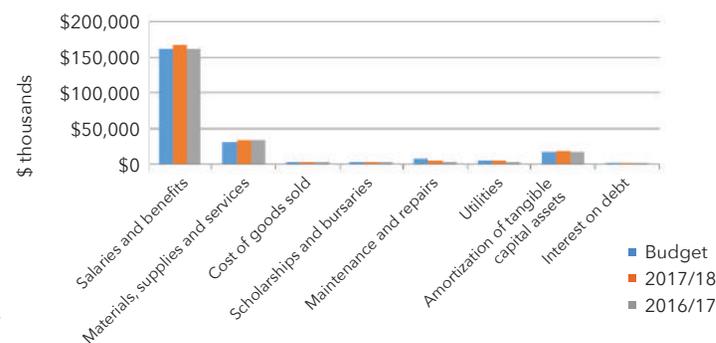
from the transition of the investment portfolio mix to ensure the University's investment earnings can meet the long-term expenditure requirements of its endowments. Gains from the \$15 million redemption of the portfolio, above budget distribution of scholarships and increased beneficiary program spending contributed to the larger than anticipated returns. The University's investment portfolio returns reflected the strength of the investment markets, where both the restricted and unrestricted assets are held. Indexes in all asset classes generated stronger realized returns in support of general operations, scholarships, bursaries and programs supported by endowments.

## Expense

### Labour expense

The labour-related expenses of salaries and benefits were 69% of the University's operations in 2017/18, compared with 70% in 2016/17. This change was mostly attributed to a reduction in benefit expense, as the employer portion of pension contributions decreased in 2018. Spending in 2017/18 on labour grew by 2.8%, reflecting the previously settled increments in the collective agreements for members of the Mount Royal University Faculty Association (MRFA) at 1.8%, as well as salary grid advancement for those members who had not reached the top of their respective grids for both the MRFA and Mount Royal Staff Association. Management and exempt personnel salary levels were frozen throughout 2017/18 as directed by the Government of Alberta. Revisions to roles and functions are ongoing in response to changing service requirements and to ensure the University is best placed for future opportunities. The University embarked on a three-year cost containment budget process in 2017/18 and changes involved reorganization initiatives and position abolishments, with related costs captured in the labour expense. Special projects funded through internally restricted funds resulted in \$1.1 million of unbudgeted labour expense in 2017/18.

Expense by Object – 2017/18



**Materials, supplies and services**

Materials, supplies and services spending in 2017/18 exceeded budget by \$2.6 million. This excess was related to spending from internally restricted funds on special projects and priority initiatives, including renovations and alterations.

**Maintenance and repairs**

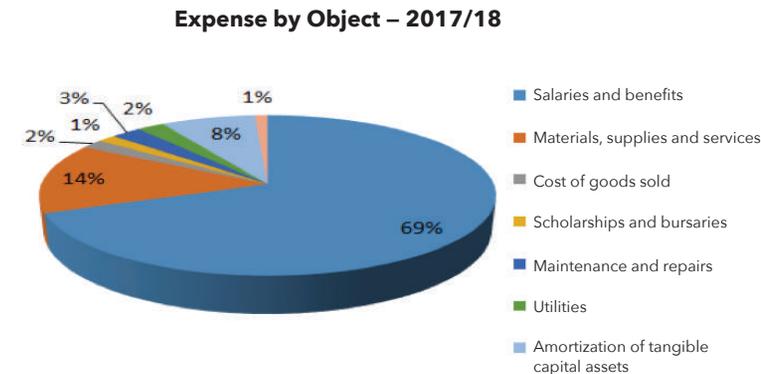
Maintenance and repair activities, outside of reserve fund spending, were significantly lower than 2016/17. Several major projects, such as the combined heat and power unit, which were originally budgeted as expenditures, were capitalized, reducing budgeted expenses.

**Utilities**

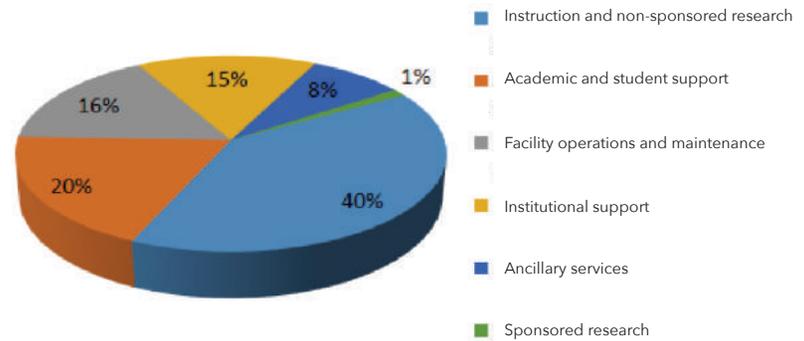
Sustainability has been a focus for the University and its facility operations. SIF amounts from the provincial government enabled the University to invest in a combined heat and power unit that is anticipated to save \$500,000 in utility costs annually. Despite the first operational year of the RLLC, spending on utilities was below budgeted levels due to cost containment in custodial and other services.

**Amortization of tangible capital assets**

The completion of two projects that were funded through SIF increased the institutional amortization expense compared with the budget and the prior year.



**Expense by Function – 2017/18**



**Instruction**

Delivery of instruction and non-sponsored research expenses ran below budget for 2017/18, primarily due to \$2.2 million in cost reductions given lower activity levels in the Faculty of Continuing Education and Extension. Other savings related to the reduction in the Local Authorities Pension Plan premiums were partially offset by the increased cost of delivery in credit course sections to support increased enrolment.

**Academic and student support**

Higher expenditures beyond budget in these categories reflected increased support for scholarships and bursaries, conditional grant-funded activities in direct support of Indigenous career awards, student mental health initiatives and internally restricted expenditures in special projects that were not anticipated in the approved budget.

**Facility operations and maintenance**

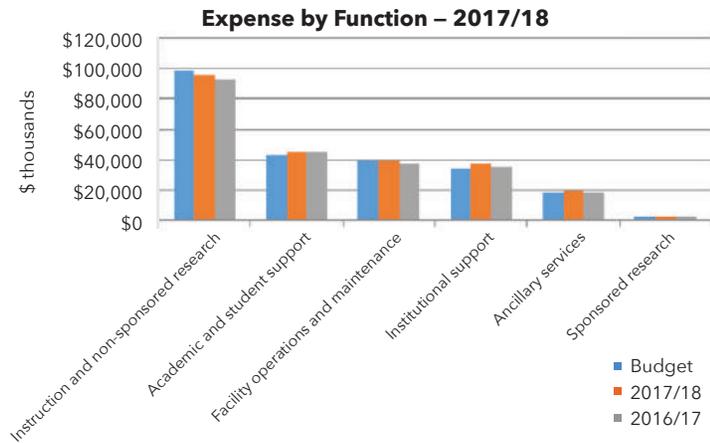
Significant cost containment measures were initiated across the University on all facility-related expenditures. Despite a rise in amortization and reserve-funded maintenance and repair costs, these expenditures were materially on budget. A full fiscal year of facility costs for the operation of the RLLC is reflected in these results.

**Institutional support**

Increased institutional support activity levels and associated costs primarily reflected spending from internally restricted funds and reorganizational and associated abolishment costs as the University strives for future cost containment. Expenditures associated with a flood event in the winter months also contributed to the over-budgeted expense, with an offsetting insurance proceed.

### Sponsored research

The expense of sponsored research was \$1.2 million beyond budget due to the growth of externally funded research activities at the University. Generating external financial support for research activities and utilizing the available expertise and facilities was carried out at higher than anticipated levels. All sponsored research is fully offset by external grant funding. Cost savings in the administration of the institutes offset spending in this category.



### The University as at June 30, 2018

The financial position of the University upon conclusion of the 2017/18 fiscal year reflects the revenue and expense activities described above. The completion of the RLLC, increased spending of internally restricted funds, and the use of operating cash flows to fund endowment and donation expenditures contributed to the reduced cash position. Market returns and unrealized market gains on the University's investment portfolio positively impacted both non-endowed and funds restricted for endowments.

The University remains stable in its net financial asset position and in its net assets overall as at June 30, 2018. The focus on improving financial sustainability through utilization of capacity, cost containment initiatives and sustainable operations continues to ensure the ongoing constraint on revenue relative to increasing expenses does not negatively impact the University's future realization of its strategic goals.

# Public interest disclosure activity

Mount Royal University provides avenues for the safe disclosure of concerns related to discrimination and harassment, fraud and misconduct, financial irregularity and non-compliance with policy.

Three disclosures were received in 2017/18; all were addressed and did not qualify as a public interest disclosure under the *Public Interest Disclosure (Whistleblower Protection) Act*.

# Appendix

The audited financial statements of Mount Royal University for the year 2017/18 are provided as an appendix to this annual report and include the independent auditor's report, statement of management's responsibility, consolidated financial statements and notes to the consolidated financial statements.



MOUNT ROYAL  
UNIVERSITY  
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**CONSOLIDATED  
FINANCIAL STATEMENTS**

**YEAR ENDED**

**JUNE 30, 2018**

Independent Auditor's Report

To the Board of Governors of Mount Royal University

**Report on the Consolidated Financial Statements**

I have audited the accompanying consolidated financial statements of Mount Royal University, which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statements of operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mount Royal University as at June 30, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D  
Auditor General

October 29, 2018  
Edmonton, Alberta

# Statement of management responsibility

The consolidated financial statements of Mount Royal University (“the University”) have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements present fairly the financial position of the University as at June 30, 2018 and the results of its operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that the University’s assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Governors is responsible for reviewing and approving the consolidated financial statements, and overseeing management’s performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Risk Committee. With the exception of the president, members of the Audit and Risk Committee are not employees of the University. The Audit and Risk Committee meets with management and the external auditors and internal auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Audit and Risk Committee, with and without the presence of management.

These consolidated financial statements have been reported on by the Auditor General of Alberta, the auditor appointed under the *Post-secondary Learning Act*. The Independent Auditor’s Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

[Original signed by]

David Docherty, PhD  
President  
Mount Royal University

[Original signed by]

Annalise Van Ham, CPA, CGA  
Vice-President, Finance and Administration  
Mount Royal University



**Mount Royal University**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**  
**(thousands of dollars)**

	2018	2017
<b>Financial assets excluding portfolio investments restricted for endowments</b>		
Cash	\$ 347	\$ 21,626
Portfolio investments - non-endowment (note 4)	77,417	85,397
Accounts receivable (note 6)	19,255	13,174
Inventories held for sale	407	374
	<b>97,426</b>	<b>120,571</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	22,427	35,443
Employee future benefit liabilities (note 7)	3,059	3,609
Debt (note 8)	70,679	62,046
Deferred revenue (note 9)	32,171	46,432
	<b>128,336</b>	<b>147,530</b>
<b>(Net debt) excluding portfolio investments restricted for endowments</b>	<b>(30,910)</b>	<b>(26,959)</b>
Portfolio investments - restricted for endowments (note 4)	60,731	58,717
<b>Net financial assets</b>	<b>29,821</b>	<b>31,758</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 11)	360,814	356,330
Inventories of supplies	62	68
	<b>360,876</b>	<b>356,398</b>
<b>Net assets before spent deferred capital contributions</b>	<b>\$ 390,697</b>	<b>\$ 388,156</b>
Spent deferred capital contributions (note 10)	272,680	268,862
<b>Net assets (note 12)</b>	<b>\$ 118,017</b>	<b>\$ 119,294</b>
<b>Net assets is comprised of:</b>		
Accumulated surplus	108,822	109,912
Accumulated remeasurement gains	9,195	9,382
	<b>\$ 118,017</b>	<b>\$ 119,294</b>

Contingent assets and contractual rights (notes 14 and 16)  
 Contingent liabilities and contractual obligations (notes 15 and 17)

The accompanying notes are an integral part of these consolidated financial statements.



**Mount Royal University**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2018**  
(thousands of dollars)

	Budget	2018	2017
<b>Revenues</b>			
Government of Alberta grants (note 21)	\$ 114,518	\$ 116,755	\$ 113,119
Federal and other government grants (note 21)	4,231	2,066	2,317
Sales of services and products	31,864	29,790	29,497
Student tuition and fees	76,087	75,199	73,374
Donations and other grants	4,943	4,507	4,982
Investment income	6,470	8,341	7,346
	<u>238,113</u>	<u>236,658</u>	<u>230,635</u>
<b>Expenses (note 18)</b>			
Instruction and non-sponsored research	98,396	95,814	93,036
Academic and student support	43,575	45,508	45,386
Facility operations and maintenance	39,714	39,281	37,410
Institutional support	34,086	36,851	35,097
Ancillary services	18,138	19,544	18,461
Sponsored research	2,041	2,895	3,011
	<u>235,950</u>	<u>239,893</u>	<u>232,401</u>
<b>Annual operating (deficit)</b>	2,163	(3,235)	(1,766)
Endowment contributions (note 12)		536	673
Endowment capitalized investment income (note 12)		1,609	28
		<u>2,163</u>	<u>(1,065)</u>
<b>Annual (deficit)</b>	2,163	(1,090)	(1,065)
<b>Accumulated surplus, beginning of year</b>	109,912	109,912	110,977
<b>Accumulated surplus, end of year</b>	<u>\$ 112,075</u>	<u>\$ 108,822</u>	<u>\$ 109,912</u>

The accompanying notes are an integral part of these consolidated financial statements.



# Mount Royal University

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED JUNE 30, 2018 (thousands of dollars)

	Budget	2018	2017
<b>Annual (deficit)</b>	<b>\$ 2,163</b>	<b>\$ (1,090)</b>	<b>\$ (1,065)</b>
Acquisition of tangible capital assets	(3,705)	(22,907)	(37,794)
Proceeds from sale of tangible capital assets		24	576
Amortization of tangible capital assets	17,693	18,391	16,888
Loss (gain) on disposal of tangible capital assets		8	(133)
Change in inventories of supplies		6	(19)
Change in spent deferred capital contributions (note 10)	(11,240)	3,818	20,564
Change in accumulated remeasurement (losses) gains		(187)	1,700
<b>(Decrease) increase in net financial assets</b>	<b>4,911</b>	<b>(1,937)</b>	<b>717</b>
<b>Net financial assets, beginning of year</b>	<b>31,758</b>	<b>31,758</b>	<b>31,041</b>
<b>Net financial assets, end of year</b>	<b>\$ 36,669</b>	<b>\$ 29,821</b>	<b>\$ 31,758</b>

The accompanying notes are an integral part of these consolidated financial statements.



# Mount Royal University

## CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED JUNE 30, 2018 (thousands of dollars)

	2018	2017
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 9,382</b>	<b>\$ 7,682</b>
Unrealized gains attributable to:		
Portfolio investments - non-endowment	<b>886</b>	2,247
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	<b>(1,073)</b>	(547)
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 9,195</b>	<b>\$ 9,382</b>

The accompanying notes are an integral part of these consolidated financial statements.



**Mount Royal University**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2018**  
**(thousands of dollars)**

	2018	2017
<b>OPERATING TRANSACTIONS</b>		
Annual (deficit)	\$ (1,090)	\$ (1,065)
Add (deduct) non-cash items:		
Amortization of tangible capital assets	18,391	16,888
(Gain) on sale of portfolio investments	(1,777)	(958)
Loss (gain) on disposal of tangible capital assets	8	(133)
Expended capital recognized as revenue	(11,997)	(11,046)
(Decrease) in employee future benefit liabilities	(550)	(208)
Change in non-cash items	2,985	3,478
(Increase) decrease in accounts receivable	(6,081)	3,485
(Increase) decrease in inventories for held for sale	(33)	177
(Decrease) increase in accounts payable and accrued liabilities	(13,016)	6,580
Decrease (increase) in inventories of supplies	6	(19)
(Decrease) in deferred revenue	(14,131)	(5,433)
<b>Cash (applied to) provided by operating transactions</b>	<b>(30,270)</b>	<b>8,268</b>
<b>INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	(31,902)	(12,456)
Proceeds on sale of portfolio investments	39,327	5,579
<b>Cash provided by (applied to) investing transactions</b>	<b>7,425</b>	<b>(6,877)</b>
<b>FINANCING TRANSACTIONS</b>		
Debt - repayment	(4,178)	(4,030)
Debt - new financing	12,811	2,555
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in-kind donations	15,814	31,587
<b>Cash provided by financing transactions</b>	<b>24,447</b>	<b>30,112</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets, less in kind donations	(22,905)	(37,772)
Proceeds on disposal of tangible capital assets	24	576
<b>Cash (applied to) capital transactions</b>	<b>(22,881)</b>	<b>(37,196)</b>
<b>(Decrease) in cash</b>	<b>(21,279)</b>	<b>(5,693)</b>
<b>Cash, beginning of year</b>	<b>21,626</b>	<b>27,319</b>
<b>Cash, end of year</b>	<b>\$ 347</b>	<b>\$ 21,626</b>

The accompanying notes are an integral part of these consolidated financial statements.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 1. Authority and Purpose

The Board of Governors of Mount Royal University is a corporation that manages and operates Mount Royal University (“the University”) under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the President, who is an ex officio member. Under the *Post-secondary Learning Act*, Campus Alberta Sector Regulation, the University is a Baccalaureate and Applied Studies University offering baccalaureate degrees, certificates, diplomas and applied degrees, as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

#### 2. Summary of Significant Accounting Policies and Reporting Practices

##### a. General - Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The University management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets and the revenue recognition for expended capital are the most significant items based on estimates. In management’s opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

##### b. Valuation of Financial Assets and Liabilities

The University’s financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash	Cost
Portfolio investments	Fair value
Accounts receivable	Amortized cost
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash and portfolio investments are accounted for using trade date accounting.

The University does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the University’s normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The University does not have any embedded derivatives.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

##### c. Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

##### Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the University's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized over the useful life of the tangible capital assets.

Government grants without terms for the use of the grant are recognized as revenue when the University is eligible to receive the funds. Unrestricted non-government grants and donations are recognized as revenue in the year received or in the year the funds are committed to the University if the amount can be reasonably estimated and collection is reasonably assured.

In kind donations of services, materials and tangible capital assets are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recognized at the carrying value.

##### Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received, and recognized as revenue when the land is purchased.

The University recognizes in kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the University cannot determine the fair value, it recognizes such in-kind contributions at nominal value.

##### Endowment donations

Endowment donations are recognized as revenue in the consolidated statement of operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

##### Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met. The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the consolidated statement of operations.

##### d. Endowments

Endowments consist of:

- Externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation is capitalized to maintain and grow the real value of the endowments. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

##### d. Endowments (continued)

Under the *Post-secondary Learning Act*, the University has the authority to alter the terms and conditions of endowments to enable:

- Income earned by the endowments to be withheld from distribution to avoid fluctuations in the amounts distributed, generally to regulate the distribution of income earned by the endowments.
- Encroachment on the capital of the endowments to avoid fluctuations in the amounts distributed and generally to regulate the distribution of investment income earned by the endowments if, in the opinion of the Board of Governors, the encroachment benefits the University and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the accumulated capitalized investment income. However, for individual endowments without sufficient accumulated capitalized investment income, endowment principal is used in that year and is expected to be recovered by future investment income.

##### e. Inventories Held for Sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first in, first out (FIFO) method. Inventories of supplies are valued at cost.

##### f. Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the construction of new buildings. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

Capital lease liabilities are recognized at the present value of future minimum lease payments at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset Category</u>	<u>Estimated Useful Lives</u>
Buildings	20 - 40 years
Learning resources	10 years
Furnishings, equipment and systems	3 - 20 years

Tangible capital asset write-downs are recognized when conditions indicate they no longer contribute to the University's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are recognized as expense.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

##### g. Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

##### h. Employee Future Benefits

###### Pension

The University participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the University's participating employees based on years of service and earnings.

The University does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the LAPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

###### Long-Term Disability and Early Retirement

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the University's long-term disability plans is charged to expense in full when the event occurs which obligates the University to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate and management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are recognized immediately.

The cost of providing non-accumulating and non-vesting employee future benefits for faculty early retirements has been charged to expense in full when the event occurs which obligates the University to provide the benefits. There have been no new additional participants in the current fiscal year.

###### Administrative Leave and Deferred Salary Plans

The University provides for certain executives to accrue a paid leave of absence at the end of their administrative appointment. The expense for these plans is estimated using the projected benefit method prorated on service. Gains and losses on the accrued benefit obligation are recognized immediately.

The University provides compensated absences for its employees under two deferred leave plans. Participating faculty members contribute 15% of their pre-tax annual salary for four years and then are paid 85% of their salary during their year of leave. The deferred salary plan for management and support staff is wholly self-funded by participating employees who contribute between 15% and 20% of their pre-tax annual salary for four years and then draw on the accumulated sum during their year of leave.

###### Supplementary retirement plans (SRP) - Defined Benefit

The University has a former executive member participating in a defined benefit pension that is self-funded. The actuarial value of this liability is included in these statements. The pension expense for this plan is actuarially determined using the projected benefit method prorated over the expected remaining service life. Actuarial gains or losses on the accrued benefit obligation are amortized over the remaining expected average service life of the plan.

###### Supplementary retirement plans (SRP) - Defined Contribution

The University provides non-contributory defined benefit supplementary retirement benefits under a defined contribution plan to current executive members. The pension expense for the defined contribution supplementary retirement plan is the employer's current year contribution to the plan as calculated in accordance with the plan rules.

##### i. Basis of Consolidation

The consolidated financial statements use the line-by-line method to record entities controlled by the University.

- The Mount Royal University Foundation is a wholly owned non-profit organization that receives donations and endowments on behalf of the University. The Mount Royal University Foundation is incorporated under the *Companies Act of Alberta*.
- The Mount Royal University Child Care Centre is a non-profit organization that is incorporated under the *Societies Act of Alberta*.

These entities are not material to the University's consolidated financial statements, and therefore, separate condensed financial information is not presented.

##### j. Expense by function

The University uses the following categories of functions on its consolidated statement of operations:

###### Instruction and non-sponsored research

Expenses relating to the University's instruction and non-sponsored research and scholarly activity taken by faculty and within academic departments which contribute jointly to instruction and research functions. Non-credit instruction expenses related to the activities that are part of the non-credit programming are also included.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

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#### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

##### j. Expense by function (continued)

###### Academic and student support

Expenses relating to the support for the academic functions of the University. Admissions and registry functions and all other activities that support the student body are also included.

###### Facility operations and maintenance

Expenses relating to the maintenance and renewal of facilities that house all teaching, research and administrative activities within the University. These include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, major repairs and renovations, and all tangible capital asset amortization on all non-ancillary capital.

###### Institutional support

Expenses incurred in support of the computing, networking, data communications and other information technology functions. University wide administrative services expenses are also included.

###### Ancillary services

Expenses relating to services and products provided to the University community and to external individuals and organizations. Services include the University bookstore, printing, student residences, events and conference services, and parking services.

###### Sponsored research

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

##### k. Funds and Reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to or from funds and reserves are an adjustment to the respective fund when approved.

##### l. Future Accounting Changes

In June 2015, the Public Sector Accounting Board issued PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. PS 3430 Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

In March 2018, the Public Sector Accounting Board approved PS 3280 Asset Retirement Obligations. This accounting standard is effective for fiscal years starting on or after April 1, 2021. PS 3280 Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital assets.

Management is currently assessing the impact of these new standards on the consolidated financial statements.

#### 3. Adoption of New Accounting Standards

The University has prospectively adopted standards from July 1, 2017:

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. This new disclosure has been included in note 20.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective. All inter-entity transactions have been recorded in the financial statements in compliance with this new standard.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets. There was no impact to the consolidated financial statements related to this new standard.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets. This new disclosure has been included in note 14.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights. This new disclosure has been included in note 16.



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**4. Portfolio Investments**

	2018	2017
Portfolio investments - non-endowment	\$ 77,417	\$ 85,397
Portfolio investments - restricted for endowments	60,731	58,717
	<u>\$ 138,148</u>	<u>\$ 144,114</u>

The composition of portfolio investments measured at fair value is as follows:

	2018			
	Market Yield	Level 2	Level 3	Total
Portfolio investments at fair value				
Pooled investments in bonds				
Canadian bonds	0.77 %	\$ 32,595	\$ -	\$ 32,595
Pooled investments in equities				
Canadian equities	10.36 %	24,488	-	24,488
Foreign equities	12.54 %	65,758	-	65,758
Pooled real estate units	6.94 %	-	15,296	15,296
Other <sup>(a)</sup>		-	11	11
Total portfolio investments		<u>122,841</u>	<u>15,307</u>	<u>138,148</u>
		<u>89 %</u>	<u>11 %</u>	<u>100 %</u>

	2017			
	Market Yield	Level 2	Level 3	Total
Portfolio investments at fair value				
Pooled investments in bonds				
Canadian bonds	0.04 %	\$ 57,009	\$ -	\$ 57,009
Pooled investments in equities				
Canadian equities	11.02 %	35,076	-	35,076
Foreign equities	19.31 %	37,715	-	37,715
Pooled real estate units	5.87 %	-	14,303	14,303
Other <sup>(a)</sup>		-	11	11
Total portfolio investments		<u>129,800</u>	<u>14,314</u>	<u>144,114</u>
		<u>90 %</u>	<u>10 %</u>	<u>100 %</u>

(a) Other portfolio investment is comprised of a donated life insurance policy.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

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#### 4. Portfolio Investments (continued)

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets;

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table reconciles the changes in fair value of level 3 investments:

	2018	2017
Balance, beginning of year	\$ 14,314	\$ 12,900
Purchases	-	673
Proceeds on sale	-	(44)
Unrealized gains	993	779
Gain on sale	-	6
Balance, end of year	<u>\$ 15,307</u>	<u>\$ 14,314</u>

#### 5. Financial Risk Management

The University is exposed to the following risks:

##### a. Market price risk

The University is exposed to market price risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At June 30, 2018, the impact of a change in the rate of return on the investment portfolio is as follows:

	Fair Value	2.5% Decrease	1.0% Decrease	1.0% Increase	2.5% Increase
Canadian bonds	\$ 32,595	\$ (815)	\$ (326)	\$ 326	\$ 815
Canadian equities	24,488	(612)	(245)	245	612
Foreign equities	65,758	(1,644)	(658)	658	1,644
Real estate	15,296	(4)	(2)	2	4
	<u>\$ 138,137</u>	<u>\$ (3,075)</u>	<u>\$ (1,231)</u>	<u>\$ 1,231</u>	<u>\$ 3,075</u>



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

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#### 5. Financial Risk Management (continued)

##### b. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The University is also exposed to foreign currency risk on a United States dollar operating bank account. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The University's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

The impact of a change in the most material value of the foreign currency portfolio is shown below:

	Fair value	2.5% Decrease	1.0% Decrease	1.0% Increase	2.5% Increase
US dollar investments	\$ 36,554	\$ (508)	\$ (203)	\$ 203	\$ 508
Euro	6,990	(19)	(7)	7	19
British pound	3,827	(6)	(2)	2	6
Japanese yen	5,142	(10)	(4)	4	10
	<u>\$ 52,513</u>	<u>\$ (543)</u>	<u>\$ (216)</u>	<u>\$ 216</u>	<u>\$ 543</u>

##### c. Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honor its financial obligations with the University. The University is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from non-tuition accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures.

The credit risks on investments held are as follows:

	2018	2017
<b>Credit rating</b>		
AAA	<b>38.66 %</b>	39.80 %
AA	<b>32.42</b>	34.20
A	<b>17.15</b>	14.70
BBB	<b>11.63</b>	11.30
Not rated	<b>0.14</b>	-
	<u><b>100.00 %</b></u>	<u>100.00 %</u>

##### d. Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains a short-term line of credit of \$15 million that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. At June 30, 2018, the University has committed borrowing facilities of \$12,074 (2017 - \$0).



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

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#### 5. Financial Risk Management (continued)

##### e. Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed-rate agreements with Alberta Capital Finance Authority (note 8).

The impact of a change in interest rates for various instruments is shown below:

	Fair Value	2.5% Decrease	1.0% Decrease	1.0% Increase	2.5% Increase
Cash	\$ 347	\$ (9)	\$ (3)	\$ 3	\$ 9
Bonds	32,595	6,679	2,671	(2,283)	(5,708)
Real estate	15,296	229	92	(92)	(229)

The maturity and average effective market yield of interest bearing investments are as follows:

	<1 year %	1-5 years %	> 5 years %	Average effective market yield %
Portfolio investments, fixed income	-	43	57	0.77

#### 6. Accounts Receivable

	2018	2017
Accounts receivable	\$ 4,013	\$ 2,615
Receivable from sale of portfolio investment	5,000	-
Receivable from the Students Association of Mount Royal University (note 8)	10,242	10,559
	<u>\$ 19,255</u>	<u>\$ 13,174</u>

Accounts receivable are unsecured and non-interest bearing.

On June 29, 2018 the University transitioned \$5 million of the investment portfolio into operating assets. The cash settlement of this transaction occurred on July 5, 2018, resulting in an outstanding receivable at June 30, 2018.

In 2007, the University and the Students Association of Mount Royal University (SAMRU) entered into an agreement to finance the expansion of the SAMRU's Wyckham Student facilities on campus. The University borrowed the sum of \$13 million to fund the costs of construction for the expansion, and the SAMRU is repaying the amount on the same terms and conditions as the borrowing outlined in note 8.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

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#### 7. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2018	2017
Long - term disability	\$ 1,668	\$ 2,292
Administrative leave including deferred salary plans	852	827
Supplementary retirement plans - defined benefit	229	248
Supplementary retirement plans - defined contribution (note 22)	310	242
	<u>\$ 3,059</u>	<u>\$ 3,609</u>

##### (a) Long - term disability

The University contributes the employer portion of LAPP pension premiums for all employees on long term disability for the duration of their leave, until retirement age, or until the termination of the benefit, whichever is longer. The most recent actuarial valuation for this accrued obligation was completed at June 30, 2018. The next actuarial valuation will be carried out June 30, 2019.

##### (b) Administrative leave

The University provides for certain senior executives to accrue a paid leave of absence at the end of their administrative appointment. Upon completing their term of service, the individual's salary and benefits in effect at the end of the service are paid for the duration of the leave.

##### (c) Supplementary retirement plan (SRP) - defined benefit

The University provides a non-contributory supplementary defined retirement benefit to a past executive member. An actuarial valuation of these benefits was carried out as at June 30, 2016. The next actuarial valuation will be carried out June 30, 2019.

##### (d) Supplementary retirement plan (SRP) - defined contribution

The University provides non-contributory defined supplementary retirement benefits under a defined contribution plan to certain executive members. The pension expense recorded in these consolidated financial statements is \$68 (2017 - \$43).



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. Employee Future Benefit Liabilities (continued)**

The expense and financial position of these employee future benefit plans are as follows:

	2018				
	Long-term disability	Early retirement	Administrative leave	Defined benefit	Defined contribution
<b>Expense</b>					
Current service cost	\$ (624)	\$ -	\$ 226	\$ -	\$ 68
Interest cost	-	-	-	8	-
Amortization of net actuarial loss	-	-	-	10	-
Total expense	<u>\$ (624)</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 18</u>	<u>\$ 68</u>
<b>Financial Position</b>					
<b>Accrued benefit obligation:</b>					
Balance, beginning of year	\$ 2,292	\$ -	\$ 477	\$ 248	\$ 242
Current service cost	(624)	-	226	-	68
Interest cost	-	-	-	8	-
Amortization of net actuarial loss	-	-	-	10	-
Benefits paid	-	-	(164)	(37)	-
Balance, end of year	<u>\$ 1,668</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ 229</u>	<u>\$ 310</u>
	2017				
	Long-term disability	Early retirement	Administrative leave	Defined benefit	Defined contribution
<b>Expense</b>					
Current service cost	\$ 61	\$ -	\$ 93	\$ -	\$ 43
Interest cost	-	-	-	9	-
Amortization of net actuarial loss	-	-	-	10	-
Total expense	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 19</u>	<u>\$ 43</u>
<b>Financial Position</b>					
<b>Accrued benefit obligation:</b>					
Balance, beginning of year	\$ 2,231	\$ 224	\$ 384	\$ 266	\$ 199
Current service cost	61	(224)	93	-	43
Interest cost	-	-	-	9	-
Amortization of net actuarial loss	-	-	-	10	-
Benefits paid	-	-	-	(37)	-
Balance, end of year	<u>\$ 2,292</u>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 248</u>	<u>\$ 242</u>



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. Employee Future Benefit Liabilities (continued)**

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2018		2017	
	Long-term disability	Defined benefit	Long-term disability	Defined benefit
<b>Accrued benefit obligation:</b>				
Discount rate	2.70 %	2.50 %	2.00 %	2.50 %
<b>Benefit cost:</b>				
Discount rate	2.70 %	2.50 %	2.00 %	2.50 %
Inflation (long-term)	2.00 %	2.00 %	1.75 %	2.00 %
Estimated average remaining service life	n/a	10 years	n/a	11 years

The University plans to use its working capital to finance these future obligations.

**(e) Multi-employer pension plans**

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for University members and is accounted for on a defined contribution basis. At December 31, 2017, the LAPP reported an actuarial surplus of \$4,835,515 (2016 - \$637,357 deficit). An actuarial valuation of the LAPP was carried out as at December 31, 2016 and was then extrapolated for December 31, 2017. The pension expense recorded in the consolidated financial statements is \$13,410 (2017 - \$13,309). Other than the requirement to make additional contributions, the University does not bear any risk related to a LAPP deficit.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 8. Debt

Debt is measured at amortized cost and is comprised of the following:

	2018			2017	
	Collateral <sup>(1)</sup>	Maturity	Interest rate %	Amortized cost	
<b>Debentures payable to Alberta Capital Finance Authority:</b>					
West Student Residence	1	August 15, 2027	6.1250 %	\$ 19,171	\$ 20,533
Taylor Centre for Performing Arts	1	March 17, 2029	3.1250 %	9,712	10,443
Mount Royal University Parkade	1	September 24, 2035	4.8675 %	17,082	17,689
MRU Student Association's Wyckham Student Centre (note 6)	1	June 15, 2037	5.0030 %	10,242	10,559
<b>Short-term line of credit</b>			2.7000 %	12,074	-
<b>Liabilities under capital leases (note 17)</b>			1.2282 %	2,398	2,822
Balance, end of year				<b>\$ 70,679</b>	<b>\$ 62,046</b>

(1) Collateral consists of cash flows from activities carried out in the facilities.

Principal and interest repayments are as follows:

Year	Principal	Interest	Total
2019	\$ 16,274	\$ 3,039	\$ 19,313
2020	4,125	2,911	7,036
2021	4,022	2,709	6,731
2022	3,726	2,296	6,022
2023	3,864	2,108	5,972
Thereafter	38,668	10,781	49,449
	<b>\$ 70,679</b>	<b>\$ 23,844</b>	<b>\$ 94,523</b>

Interest expense on debt is \$2,461 (2017 - \$2,550) and is included in the consolidated statement of operations.

The University has a short-term line of credit, unsecured, with an authorized limit of \$15 million. The interest rate is prime less 0.75% (2018 - 2.70%), payable monthly. The principal is due on demand, or at the borrower's discretion.



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. Deferred Revenue**

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

	2018			2017	
	Unspent externally restricted grants and donations	Unspent externally restricted capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 20,146	\$ 20,044	\$ 6,242	\$ 46,432	\$ 50,569
Grants, tuition, donations received during the year	8,457	3,700	6,153	18,310	42,947
Investment income	3,594	4	-	3,598	3,433
Unrealized (losses) gains	(130)	-	-	(130)	1,296
Transfers to spent deferred capital contributions	(1,554)	(14,261)	-	(15,815)	(31,610)
Recognized as revenue	(13,982)	-	(6,242)	(20,224)	(20,203)
Balance, end of year	\$ 16,531	\$ 9,487	\$ 6,153	\$ 32,171	\$ 46,432

**10. Spent deferred capital contributions**

Spent deferred capital contributions is comprised of externally restricted grants and donations spent on tangible capital acquisitions (not yet recognized as revenue).

	2018	2017
<b>Spent deferred capital contributions, beginning of year</b>	<b>\$ 268,862</b>	<b>\$ 248,298</b>
Transfers from unspent externally restricted grants and donations	1,554	1,465
Transfers from unspent deferred capital contributions	14,261	30,145
Expended capital recognized as revenue	(11,997)	(11,046)
Net change for the year	3,818	20,564
Balance, end of year	\$ 272,680	\$ 268,862



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**11. Tangible Capital Assets**

	2018					2017
	Land	Buildings <sup>(1)</sup>	Learning resources	Furnishings, equipment and systems <sup>(2)</sup>	Total	Total
<b>Cost</b>						
Balance, beginning of year	\$ 6,815	\$ 469,539	\$ 6,286	\$ 57,114	\$ 539,754	\$ 507,180
Acquisitions	-	14,500	838	7,569	22,907	37,794
Disposals, including write-downs	-	-	(438)	(2,646)	(3,084)	(5,220)
	<u>6,815</u>	<u>484,039</u>	<u>6,686</u>	<u>62,037</u>	<u>559,577</u>	<u>539,754</u>
<b>Accumulated Amortization</b>						
Balance, beginning of year	\$ -	\$ 144,855	\$ 3,015	\$ 35,554	\$ 183,424	\$ 171,313
Amortization expense	-	12,210	712	5,469	18,391	16,888
Effects of disposals, including write-downs	-	-	(438)	(2,614)	(3,052)	(4,777)
	<u>-</u>	<u>157,065</u>	<u>3,289</u>	<u>38,409</u>	<u>198,763</u>	<u>183,424</u>
<b>Net book value, June 30, 2018</b>	<b>6,815</b>	<b>326,974</b>	<b>3,397</b>	<b>23,628</b>	<b>360,814</b>	
Net book value, June 30, 2017	\$ 6,815	\$ 324,684	\$ 3,271	\$ 21,560		\$ 356,330

(1) Historical cost includes construction in progress at June 30, 2018 of \$0 (2017 - \$985). No interest was capitalized by the University in 2018 or 2017.

(2) Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment.

The University holds a collection of works of art including paintings, sculptures and photographs. Due to the subjective nature of these assets, the values are not reported in this note.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 12. Net assets

	Accumulated surplus (deficit) from operations	Internally restricted surplus	Investment in tangible capital assets <sup>(1)</sup>	Endowments	Total
<b>Net assets, as at June 30, 2016</b>	\$ 9,048	\$ 22,676	\$ 34,896	\$ 52,039	\$ 118,659
<b>Annual operating (deficit)</b>	(1,766)	-	-	-	(1,766)
<b>Endowments</b>					
New donations	-	-	-	673	673
Capitalized investment income	-	-	-	28	28
<b>Tangible capital assets</b>					
Amortization of tangible capital assets	5,903	-	(5,903)	-	-
Acquisition of tangible capital assets	(6,004)	(212)	6,216	-	-
Debt repayment	(3,728)	-	3,728	-	-
Debt - new financing	2,555	-	(2,555)	-	-
Net book value of tangible capital asset disposals	415	-	(415)	-	-
<b>Operating expenses funded from internally restricted surplus</b>	5,230	(5,230)	-	-	-
<b>Net Board appropriation to internally restricted surplus</b>	(3,027)	3,027	-	-	-
<b>Change in accumulated remeasurement gains</b>	1,700	-	-	-	1,700
<b>Net assets, beginning of year</b>	10,326	20,261	35,967	52,740	119,294
<b>Annual operating (deficit)</b>	(3,235)	-	-	-	(3,235)
<b>Endowments</b>					
New donations	-	-	-	536	536
Capitalized investment income	-	-	-	1,609	1,609
<b>Tangible capital assets</b>					
Amortization of tangible capital assets	6,396	-	(6,396)	-	-
Acquisition of tangible capital assets	(4,386)	(2,708)	7,094	-	-
Debt repayment	(3,861)	-	3,861	-	-
Debt - new financing	737	-	(737)	-	-
Net book value of tangible capital asset disposals	32	-	(32)	-	-
<b>Operating expenses funded from internally restricted surplus</b>	5,044	(5,044)	-	-	-
<b>Net Board appropriation to internally restricted surplus</b>	(700)	700	-	-	-
<b>Change in accumulated remeasurement (losses)</b>	(187)	-	-	-	(187)
<b>Net assets, as at June 30, 2018</b>	\$ 10,166	\$ 13,209	\$ 39,757	\$ 54,885	\$ 118,017

(1) Investment in tangible capital assets represents the amount of the University's accumulated operating surplus that has been invested in the University's tangible capital assets.

#### Net assets is comprised of:

Accumulated surplus	\$ 971	\$ 13,209	\$ 39,757	\$ 54,885	\$ 108,822
Accumulated remeasurement gains and losses	9,195	-	-	-	9,195
	\$ 10,166	\$ 13,209	\$ 39,757	\$ 54,885	\$ 118,017



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 13. Internally Restricted Surplus

Internally restricted accumulated surplus represent amounts set aside by the University's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them.

Internally restricted net assets with significant balances include:

	2018			
	Balance at beginning of year	Appropriations from unrestricted net assets	Disbursements during the year	Balance at end of year
<b>Appropriations for capital activities</b>				
Capital renewal	\$ 6,737	\$ 500	\$ 4,184	\$ 3,053
Business and Retail Services Project Planning	3,054	-	635	2,419
Residence	4,222	-	1,175	3,047
	<u>14,013</u>	<u>500</u>	<u>5,994</u>	<u>8,519</u>
<b>Appropriations for operating activities</b>				
Research and special projects	4,084	325	1,364	3,045
Academic strategic development	1,234	125	341	1,018
University effectiveness and community needs	619	(250)	3	366
Scholarships and bursaries	311	-	50	261
	<u>6,248</u>	<u>200</u>	<u>1,758</u>	<u>4,690</u>
<b>Total</b>	<u>\$ 20,261</u>	<u>\$ 700</u>	<u>\$ 7,752</u>	<u>\$ 13,209</u>
	2017			
	Balance at beginning of year	Appropriations from unrestricted net assets	Disbursements during the year	Balance at end of year
<b>Appropriations for capital activities</b>				
Capital renewal	\$ 6,741	\$ 2,325	\$ 2,329	\$ 6,737
Business and Retail Services Project Planning	3,654	(600)	-	3,054
Residence	4,527	375	680	4,222
Campus master plan	250	-	250	-
	<u>15,172</u>	<u>2,100</u>	<u>3,259</u>	<u>14,013</u>
<b>Appropriations for operating activities</b>				
Research and special projects	5,973	165	2,054	4,084
Academic strategic development	819	482	67	1,234
University effectiveness and community needs	401	250	32	619
Scholarships and bursaries	311	30	30	311
	<u>7,504</u>	<u>927</u>	<u>2,183</u>	<u>6,248</u>
<b>Total</b>	<u>\$ 22,676</u>	<u>\$ 3,027</u>	<u>\$ 5,442</u>	<u>\$ 20,261</u>



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 14. Contingent Assets

The University initiated legal matters and insurance claims where possible assets are being sought. While the outcomes of these claims cannot be reasonably estimated at this time, the University believes that any settlement will not have a material effect on the financial position or the results of operations of the University. These contingent assets are not recognized in the consolidated financial statements.

#### 15. Contingent Liabilities

(a) The University is a defendant in a number of legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Management has concluded that none of the claims meet the criteria for recording a liability.

(b) The University has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the University may be required to take appropriate remediation procedures to remove the asbestos. As the University has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The liability for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

#### 16. Contractual Rights

Contractual rights are rights of the University to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases	Other Contracts	Total
2019	\$ 447	\$ 2,795	\$ 3,242
2020	286	1,252	1,538
2021	3	671	674
2022	-	261	261
2023	-	162	162
Thereafter	-	-	-
<b>Total at June 30, 2018</b>	<b>\$ 736</b>	<b>\$ 5,141</b>	<b>\$ 5,877</b>
Total at June 30, 2017	\$ 1,119	\$ 7,071	\$ 8,190



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 17. Contractual Obligations

The University has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Capital Projects <sup>(1)</sup>	Service Contracts <sup>(2)</sup>	Information Systems and Technology	Long-term Leases	Total
2019	\$ 2,033	\$ 21,203	\$ 1,050	\$ 8	\$ 24,294
2020	-	12,499	805	-	13,304
2021	-	10,976	527	-	11,503
2022	-	6,037	49	-	6,086
2023	-	6,122	-	-	6,122
Thereafter	-	-	-	-	-
<b>Total at June 30, 2018</b>	<b>\$ 2,033</b>	<b>\$ 56,837</b>	<b>\$ 2,431</b>	<b>\$ 8</b>	<b>\$ 61,309</b>
Total at June 30, 2017	\$ 9,740	\$ 28,002	\$ 2,895	\$ 34	\$ 40,671

(1) Capital projects include obligations related to major capital and renovation projects.

(2) Services contracts include contractual obligations the University entered into for services such as electricity, natural gas, information technology maintenance agreements, and other service obligations. The University has contracts to manage its exposure to volatility in the electrical and natural gas industries. Based on management's estimates, the annual costs for the utility contracts for the year ending June 30, 2019 are expected to be approximately \$4.8 million.

#### 18. Expense by Object

The following is a summary of expense by object.

	2018		2017
	Budget (note 23)	Actual	Actual
Salaries	\$ 138,927	\$ 143,354	\$ 138,533
Employee benefits	23,830	22,824	23,165
Materials, supplies and services	31,194	33,786	33,664
Cost of goods sold	4,569	4,283	4,187
Scholarships and bursaries	3,254	3,515	3,845
Maintenance and repairs	8,638	6,004	4,576
Utilities	5,401	5,243	4,550
Amortization of tangible capital assets	17,693	18,423	17,331
Interest on debt	2,444	2,461	2,550
	<b>\$ 235,950</b>	<b>\$ 239,893</b>	<b>\$ 232,401</b>



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

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#### 19. Funds Held on Behalf of Others

The University holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	2018	2017
Associations and others	\$ 9	\$ (23)
Recreational clubs	(7)	12
	<u>\$ 2</u>	<u>\$ (11)</u>

#### 20. Related Parties

The University is a related party with organizations within the Government of Alberta (GOA) reporting entity. Key management personnel (KMP) of the University, their close family members and the Board of Governors are also considered related parties. Transactions with these entities and individuals are considered to be in normal course of operations and are recorded at the exchange amount, which approximates fair value.

The University has liabilities with Alberta Capital Finance as described in Note 9.



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 21. Government transfers

	2018	2017
<b>Grants from Government of Alberta</b>		
Advanced Education:		
Operating	\$ 101,077	\$ 97,697
Capital	2,549	27,671
Other	4,405	3,640
Total Advanced Education	<u>\$ 108,031</u>	<u>\$ 129,008</u>
Other Post-secondary Institutions	<u>\$ 116</u>	<u>\$ 117</u>
Other Government of Alberta departments and agencies:		
Ministry of Culture and Tourism	148	147
Ministry of Community and Social Services	100	448
Ministry of Environment and Parks	1,085	-
Ministry of Economic Development and Trade	250	28
Other	494	526
Total other Government of Alberta departments and agencies	<u>2,077</u>	<u>1,149</u>
Total contributions received	<u>110,224</u>	<u>130,274</u>
Expended capital recognized as revenue	9,119	8,330
Less: deferred revenue	(2,588)	(25,485)
	<u>\$ 116,755</u>	<u>\$ 113,119</u>
<b>Accounts receivable</b>		
Advanced Education	\$ 1,277	\$ 779
Other Government of Alberta departments and agencies	44	32
	<u>\$ 1,321</u>	<u>\$ 811</u>
<b>Federal and other government grants</b>		
Contributions received	\$ 940	\$ 1,015
Expended capital recognized as revenue	1,368	1,371
Less: deferred revenue	(242)	(69)
Revenue	<u>\$ 2,066</u>	<u>\$ 2,317</u>

The University has liabilities with Alberta Capital Finance Authority as described in note 8.



**Mount Royal University**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**  
**(thousands of dollars)**

**22. Salary and Employee Benefits**

	2018			2017	
	Base salary <sup>(4)</sup>	Other cash benefits <sup>(5)</sup>	Other non-cash benefits <sup>(6)(7)</sup>	Total	Total
<b>Governance<sup>(1)</sup></b>					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	-
Members of the Board of Governors	-	-	-	-	-
<b>Executive</b>					
President	\$ 252	\$ 73	\$ 46	\$ 371	412
Provost & Vice-President Academic <sup>(2)</sup>	280	-	125	405	288
Vice-President Finance and Administration <sup>(3)</sup>	246	8	220	474	351
Vice-President University Advancement	215	21	30	266	268
Vice-President Student Affairs and Campus Life	215	-	31	246	246

(1) Effective July 1, 2015, all members of the Board of Governors elected to forego honoraria, redirecting resources to improved electronic reporting systems for Board members.

(2) In 2017, two individuals held this position.

(3) In 2018, two individuals held these positions.

(4) Base salary includes pensionable base pay.

(5) Other cash benefits include housing allowances, car allowances, professional development, and cash travel allowances. No cash bonuses were paid in 2018 or 2017.

(6) Other non-cash benefits include: the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, extended health care, health spending, dental care, long-term disability, and group life insurance. The other non-cash benefits also include the employer's share of the cost of additional benefits including administrative leaves or other special leaves with pay, supplementary retirement plans, club and professional memberships.

(7) Under the terms of the supplementary retirement plan (SRP), executive officers may receive supplemental payments. Retirement arrangement costs, as detailed below, are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the defined annual contributions to the plan on behalf of the plan member including accrued interest on the accrued liability in the plan.

The current service cost and accrued obligation for each executive under the SRP is outlined in the following table:

	Accrued Obligation June 30, 2017	Current Service Cost	Accrued Obligation June 30, 2018
President	\$ 125	\$ 23	\$ 148
Provost & Vice-President Academic <sup>(2)</sup>	-	23	23
Vice-President Finance and Administration <sup>(3)</sup>	117	22	139
	<b>\$ 242</b>	<b>\$ 68</b>	<b>\$ 310</b>



# Mount Royal University

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2018

(thousands of dollars)

#### 22. Salary and Employee Benefits (continued)

The current service cost and accrued obligation for each executive under the Administrative leave plans is outlined in the following table.

	Accrued Obligation June 30, 2017	Payments	Current Service Cost	Accrued Obligation June 30, 2018
President	\$ 239	\$ -	\$ (8)	\$ 231
Provost & Vice-President Academic <sup>(2)</sup>	21	21	68	68
Vice-President Finance and Administration <sup>(3)</sup>	217	143	166	240
	<u>\$ 477</u>	<u>\$ 164</u>	<u>\$ 226</u>	<u>\$ 539</u>

#### 23. Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the University's Comprehensive Institutional Plan as approved by the Board of Governors. Certain budget figures from the University's 2017-2018 Comprehensive Institutional Plan have been reclassified to conform with the presentation adopted in the 2018 consolidated financial statements.

#### 24. Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Board of Governors of Mount Royal University on October 29, 2018.

#### 25. Comparative Figures

In the previous year, the University accounted for some of its short-term payables as a reduction to the cash balance. These amounts have been reclassified as liabilities in the accounts payable balance. The figures have been adjusted to conform to the current year presentation:

	2017		
	Previously recorded	Reclass	Restated
<b>Increase (decrease) in:</b>			
<b>Consolidated Statement of Financial Position</b>			
Cash	\$ 18,952	\$ 2,674	\$ 21,626
Accounts Payable and accrued liabilities	32,769	2,674	35,443
<b>Consolidated Statement of Cash Flows</b>			
Cash, end of year	18,952	2,674	21,626
Increase in accounts payable and accrued liabilities	3,906	2,674	6,582



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